



2012/2013

ANNUAL REPORT

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VOLUME I

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

A lot has changed!

Nearly two decades ago since the dawn of our democracy, we have collectively as a nation, made South Africa a better place. For one, we have attained freedom and rights for all towards an adequate standard of living. We have gone on to have one of the most admired constitutions in the world. We have built millions of homes, millions more people have access to water and electricity, quality education and better health care. We have created jobs, provided social grants to the poor and created new opportunities. But sadly; in a democratic dispensation, 19 years is a very long time for there to be people in our District who are unable to access clean quality water and a toilet.

The contrasting legacies left by the tyranny of apartheid and the inactiveness of our people in the mainstream economy of our country continue to haunt us. With poverty levels in Amathole District much higher than the rest of South Africa and the Eastern Cape, 2011 statistics reflect that poverty levels were at 37,7% in the country; 46,8% in the Eastern Cape and at an astonishing 48, 8% in Amathole. Income levels are low with more than 50% of households in the ADM region earning less than R42 000 per annum. In Amathole District in particular, more than half of the population is still categorized as poor.

Whilst we continue to redress the skewed distribution of wealth through our supply chain management policies and incubator capacitation programs, government needs assistance in order to alleviate poverty and create jobs. Given the determination by our government nationally, provincially and locally to be actively involved and invest in the growth enhancing sectors of the economy, like Agriculture and Tourism, this task is attainable. Mutually, we have declared that this is the year of unity in action towards socio-economic freedom; and as such we cannot be apologetic when we engage in vigorous and searching debates on the persistence of the legacy of apartheid colonialism. And equally, this phase of our freedom must be characterised by decisive action to effect economic transformation and democratic consolidation, critical both to improve the quality of life of all South Africans and to promote nation-building and social cohesion. This is why it is key that we are guided by the Provincial Growth and Development Strategy and we also embrace the National Development Plan as platforms for united action by all South Africans to eradicate poverty, create full employment and reduce inequality.

With the Amathole District Municipality having been named by the State President as one of the 23 most poorest Municipalities in the country; and not only poor but rurally twinned with a high rate of unemployment, it is clear that we have got to tackle our challenges head on. Our aging infrastructure continues impede on efforts to tackle water and sanitation backlogs and curbs the improvement of our revenue base. Except for the Municipal Infrastructure Grant, the slow pace of expenditure in projects is a cause for concern. And then, very importantly, there is a huge funding deficit in our targets to meet the National water services eradication target of 2014 and the provision of adequate, potable and sustainable water services infrastructure by 2018.

One of the biggest challenges facing the Municipal Infrastructure Grant (MIG) programme is the poor performance of service providers appointed. This is a serious challenge that we are facing as our cash-flows are based on projected plans, but due to the poor performance some projects do not start in time. In response to this, we have introduced pre-qualification on tenders before the evaluation

process to assist in appointing good quality contractors with relevant expertise. As a reaction to all these challenges, we have set up a monitoring and evaluation unit plus a project management team so that we can have all our fillers on the ground and curb non-expenditure whilst improving the quality of the service that we render. And thus our approach is robustly taking all the necessary steps towards safe guarding our gains and transforming the lives of our people.

Government and its people are continually evolving and so should we. The dynamics of our District and poverty levels are constantly changing, hence we have adopted a more proactive approach in our core function of delivering clean quality water and sanitation services. People must be at the centre of the services that we deliver to them and their participation must always be our point of departure. This is why as the ADM, we have set ourselves and are abiding by the standards of good, clean governance. That we have maintained an unqualified audit opinion for two consecutive years is by virtue of these values. We base what we do on the Batho Pele principles of transparency, courtesy, openness, consultation and value for money. This comes from our belief in the ideologies of clean governance with sound financial management controls.

Currently, our Administration is spearheading a transformation agenda that is creating a government institution that is caring to its employees and its customers. A happy staff compliment can only but deliver commendable services. The principles of oversight and anti-corruption are also at our core. You cannot talk clean governance whilst tolerating corruption at the same time. The recent encouragement by the Auditor General South Africa regarding the manner in which we maintain our books, during the released of the municipality's audit report, inspires us to strive even further. However, we cannot navigate this process alone and leave our local Municipalities with undesired outcomes.

In the same vein, key multi-million rand infrastructural projects on water and sanitation that were announced during the State of the District Address, as well as the partnerships with institutions like the EL IDZ, the University of Fort Hare and Fort Cox College, is testimony to the plans that we have set in motion towards poverty eradication. Through the Expanded Public Works Program, we have been granted enough ammunition and this has enabled us to create hundreds of jobs throughout the district.

The footprints of our socio-economic efforts are also felt in our small town regeneration projects by stimulating high potential economic sectors along the Amathole primary routes using national routes along the N2, R72 and N6. In line with this, the small town regeneration program is also implemented to create vital and vibrant towns that are competitive and enhance social cohesion. Expected to complement this is the planned integrated wild coast development programme which will no doubt boost the regeneration of the small, rural, decaying and neglected towns; stimulate the economy and further improve the quality of lives. And it is only through working together, that we can all contribute create a better life for all and make South Africa, and specifically Amathole District, an even better place.

I have no doubt that, working together with our people; we will deliver on all their expectations.

(Signed by :) _____

Executive Mayor

T 1.0.1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

In terms of Section 121 of the Local Government: Municipal Finance Management Act, 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000, every municipality and municipal entity must prepare an annual report for each financial year. Amathole District Municipality's 2012/2013 annual report is submitted in fulfillment of this legal obligation and it has been prepared in line with the customized template and guidelines for municipal annual reports, provided by National Treasury.

In the 2012/2013 financial year, Amathole District Municipality (ADM) had seven departments, namely; Engineering Services, Health & Protection Services, Budget & Treasury Office, Corporate Services, Land, Human Settlements & Economic Development, Strategic Planning and Management as well as Legislative & Executive Support Services. Every attempt was made to ensure that the district municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP.

The institution has continued to maintain the effective operation of the following mechanisms:

- The 2012-2017 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2012/13 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- Performance agreements with performance plans were developed, signed and approved by the Executive Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM). These reports were used in the quarterly performance assessments;
- The Performance Audit Committee (PAC) functioned optimally in the year; in line with the committee's approved terms of reference; and
- Annual assessments of performance of managers directly reporting to the MM as well as the MM's performance are conducted by a duly constituted performance evaluation panel as required by the performance regulations.

In order to improve on performance planning, implementation and reporting, the institution implemented the following actions;

- Establishment of the Planning, Monitoring and Evaluation Unit to coordinate the IDP and performance management processes. The unit works closely with Senior Managers to the

Office of Directors in each department as they serve as departmental performance coordinators;

- An electronic performance management system was implemented. The system was used during the performance reviews of managers who report directly to the MM. This meant assessments could not be edited as the system locks information immediately after the assessments;
- A Manager: Individual Performance was appointed to coordinate cascading of performance to lower levels, in order to ensure that there is an interface between the SDBIP and individual performance;
- The institution ensured that during the development of the SDBIP, the SMART principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound.
- There was improvement in the submission of remedial actions for targets not achieved in order to ascertain that departments intended to meet the targets in the following quarters;
- Holding of informal departmental reviews with the Municipal Manager assisted a lot in detecting early warnings and unblocking obstacles in areas where there were challenges that would hinder the achievement of targets.

Again this year, ADM's greatest achievement was receiving two (2) Vuna Awards for:

- Maintenance of an Unqualified Audit Outcome for two consecutive years, and
- Excellent Performance in KPA 4: Financial Management & Viability

I am confident that this report is a true and just reflection of what really happened at ADM during the 2012/2013 financial year.

C MAGWANGQANA
MUNICIPAL MANAGER

T 1.1.1

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

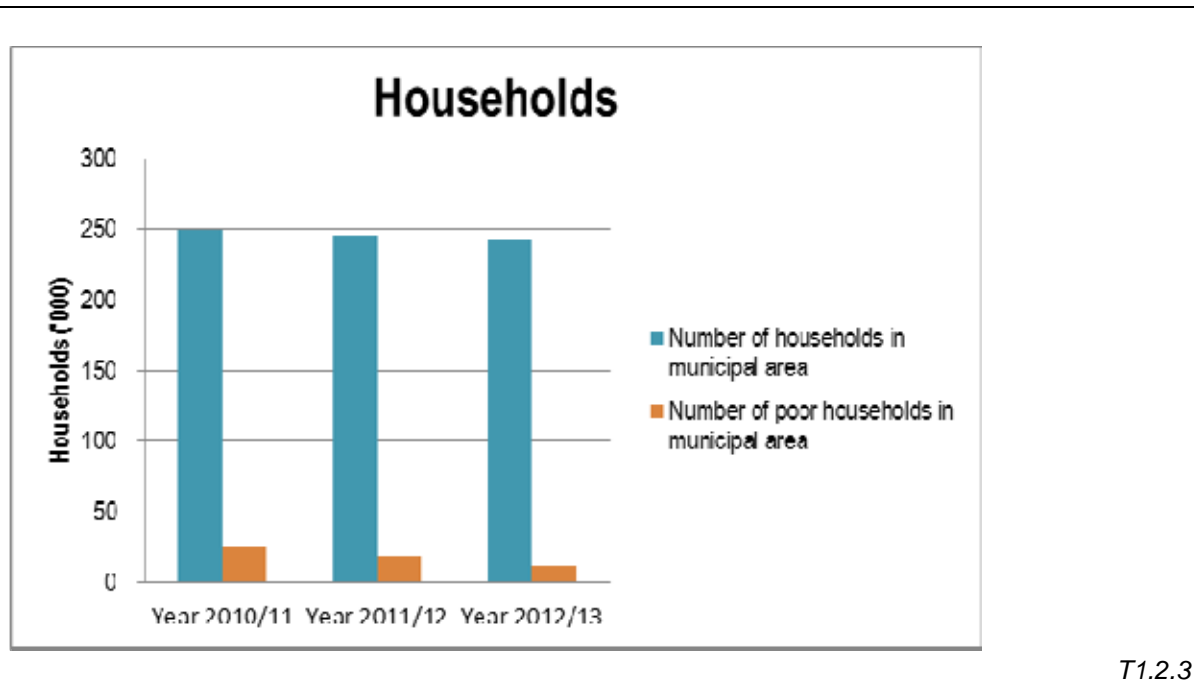
INTRODUCTION TO BACKGROUND DATA

The Amathole District Municipality as Water Services Authority and Water Services provider, plans, constructs and operates water and sanitation services in Amathole District. The predominantly rural nature of the district is a constraint to ensure all consumers have access to services. However, the municipality is continuously rolling out services to areas previously not served. With the assistance of additional grant funding from the Department of Water Affairs, interim water supply is being provided in areas where formal systems will still take some time to roll out.

The Amathole District Municipality had a population of close to 862 637 people during the period under review. From analysis of these trends since 1996, it is clear that the population has been decreasing steadily from more than 1 million people to around 900 000 in 2011. This suggests that the Amathole Region has been affected by outward migration since the official statistics indicate that almost 100 000 people have left the region during this period. This trend is not unique to the Amathole Region only, as people across the Eastern Cape have migrated over the last 10 years to the Metropolitan Areas of Buffalo City and Nelson Mandela as well as other more economically prominent provinces of South Africa like Gauteng and the Western Cape.

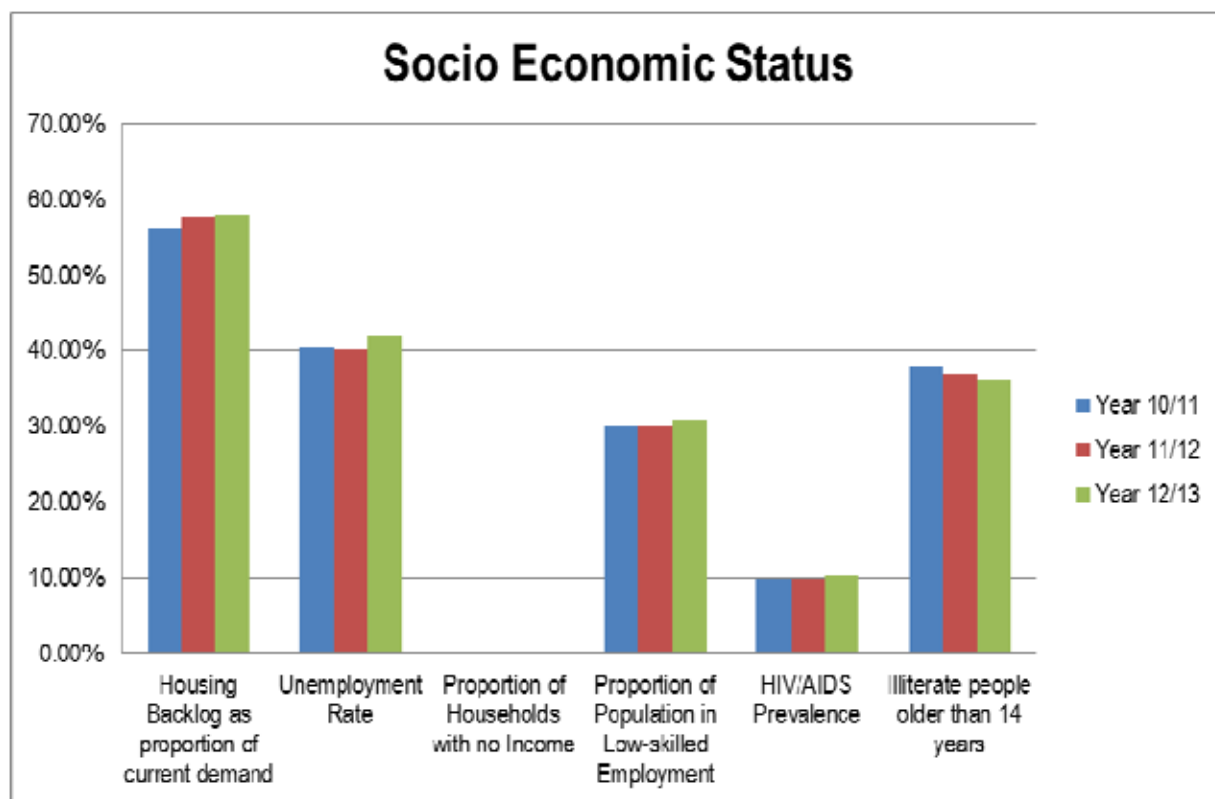
T 1.2.1

Population Details									
Age	Population '000								
	Year 10/11			Year 11/12			Year 12/13		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	57	53	110	57	53	111	50	50	100
Age: 5 - 9	56	51	107	56	51	107	47	47	94
Age: 10 - 19	118	109	227	115	106	220	101	90	191
Age: 20 - 29	94	83	177	94	83	178	71	69	140
Age: 30 - 39	43	47	90	46	48	94	42	38	80
Age: 40 - 49	36	51	87	36	50	87	36	44	80
Age: 50 - 59	30	46	76	32	47	79	37	55	92
Age: 60 - 69	22	35	57	23	36	58	26	46	72
Age: 70+	16	36	52	16	37	53	13	38	51
<i>Source: Statistics SA</i>									
<i>T 1.2.2</i>									



Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year 10/11	56.30%	40.40%	None	30.00%	9.80%	38.00%
Year 11/12	57.80%	40.30%	None	30.00%	9.88%	37.00%
Year 12/13	57.90%	42.00%	None	31.00%	10.34%	36.00%

T 1.2.4



OVERVIEW OF NEIGHBOURHOODS WITHIN "Amathole District Municipality"		
Settlement Type	Households	Population
Towns		
N/A		
Sub - Total		
Townships		
N/A		
Sub - Total		
Rural Settlements		
Willowvale Settlement Phase I & II	700	1642
Victoria Post Settlement	150	450
Mavathulana Settlement	400	800
Ndlovini Settlement Phase I & II	150	400
Lewis Settlement	235	431
Elliotdale	309	2500

Kei Road Settlement	421	2105
Wartburg Settlement	230	400
Diphini Settlement	292	1460
Cefane Settlement	277	508
Msobomvu Settlement	322	1008
Hertzog Settlement	150	1454
Hala Settlement	300	1500
DwesaCwebe	867	1382
Cenyu	550	700
Sub - Total		
Informal Settlements		
Nkonkobe	312	128240
Mbhashe	367	256001
Amahlathi	3017	127709
Great Kei	1209	39497
Mnquma	5724	254691
Nxuba	533	24545
Ngqushwa	860	73273
Total	12022	903956

Natural Resources	
Major Natural Resource	Relevance to Community
Coastline which includes estuaries, conservancies, national heritage sites, rocky shores and sandy beaches.	Recreation and Tourism, research and education, cultural values, commercial and subsistence agriculture
Freshwater systems	Mariculture and aquaculture
Biodiversity and natural forests	Land-based projects, carbo credits, environmental projects
T 1.2.7	

COMMENT ON BACKGROUND DATA:

The demographic data indicates that the Amathole Region has a fairly young population with more than 60% of the population being under the age of 35. This indicates that the stakeholders in the area including the municipalities need to have programmes that focus on this particular segment of the population. Unemployment and poverty are also high in this region. Major economic sectors in the region are agriculture and tourism. It is for this reason that the economic development programmes of the Amathole District Municipality are focussed on these sectors.

The Amathole Regional Economic Development Strategy (AREDS) advocates the implementation of high impact programmes that are to be implemented along the four strategic corridors of the ADM, which are focussed mainly on the aforementioned sectors. AREDS also recommends increased stakeholder mobilization and consultation for economic development and programmes and projects to have a positive impact in the lives of the people of the Amathole Region. There is also a need to investigate and explore possible other sectors like renewable energy and fishery that have a potential to produce even more employment opportunities for the people of the Amathole Region.

T 1.2.8

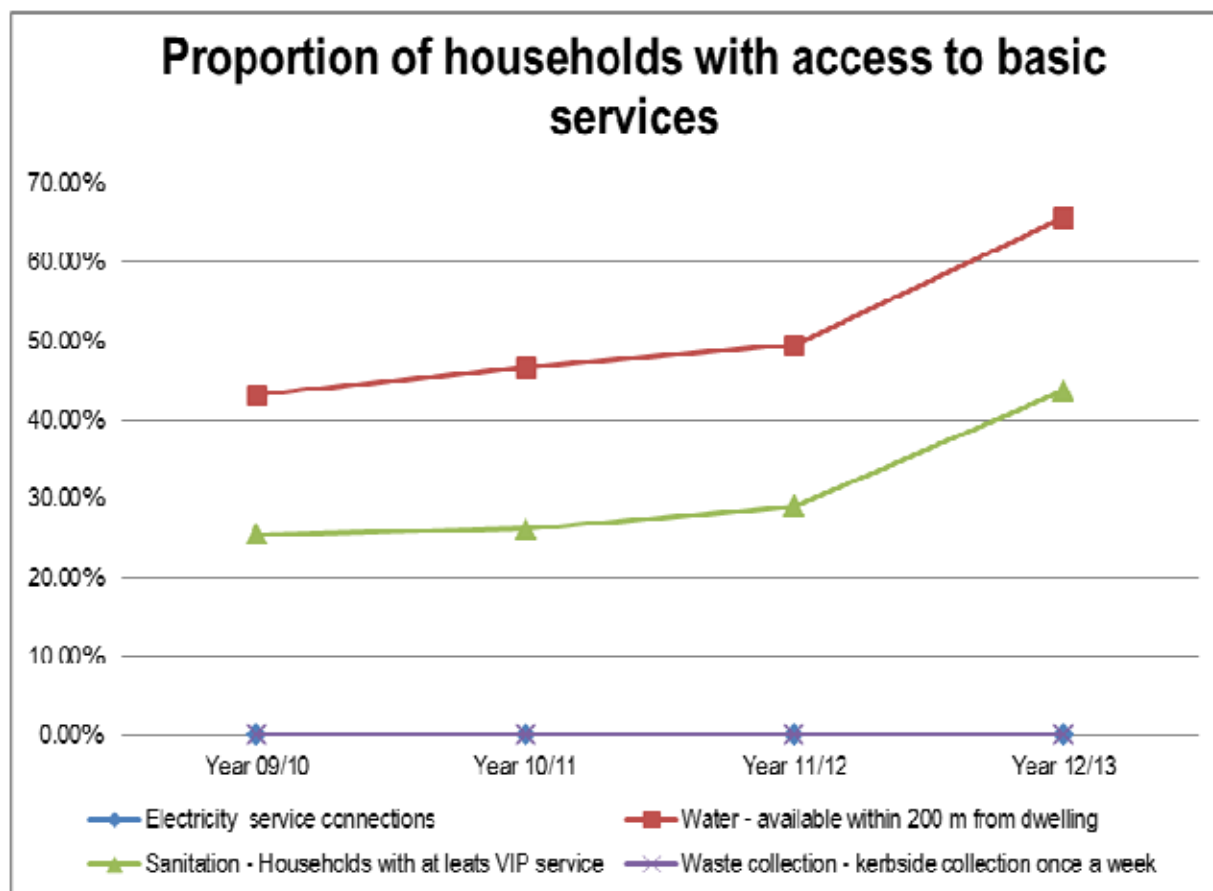
1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Amathole District is the Water Services Authority and Water Services Provider for seven local municipalities. In this regard, it is the responsibility of ADM to provide water and sanitation services to all residents within its jurisdiction. A key focus area remains the eradication of both water and sanitation backlogs as well as ensuring that the existing schemes remain operational.

T 1.3.1

Proportion of Households with minimum level of Basic services				
	Year 09/10	Year 10/11	Year 11/12	Year 12/13
Electricity service connections	n/a	n/a	n/a	n/a
Water - available within 200 m from dwelling	43.20%	46.66%	49.46%	65.57%
Sanitation - Households with at least VIP service	25.42%	26.14%	29.07%	43.63%
Waste collection - kerbside collection once a week	n/a	n/a	n/a	n/a



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The key constraint to backlog eradication remains the shortfall in available funding to implement the necessary water and sanitation schemes. The ADM is a grant dependent municipality and relies on funding from the Municipal Infrastructure Grant to finance its infrastructure projects. Another key challenge is keeping existing schemes operational. While the ADM is still faced with substantial backlogs, most of the available funding for capital projects is used for the installation of new infrastructure. With each passing year the refurbishment backlog grows, making it increasingly difficult to maintain a reliable service.

ADM also prioritise the rainwater harvesting initiative to our communities as one of the strategies. This programme is funded by ADM, Department of Water affairs and National Treasury through the Municipal Water Infrastructure Grant (MWIG) which is aimed at prioritising and accelerating projects identified through the interim Intermediate Water Service Provision (IIWSP).

T 1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The total ADM budget of R1.5bn is made up of external and internal sources of income. The external source of income is 76% of the total budget. The municipality generates its own internal income from Water, Sanitation and Fire charges. The budget is spent on the operational and capital expenditure. The largest expenditure from the operating budget emanates from Salary Costs at R383 million which is 35 % of the total operating budget while the lowest is from Finance Charges at R140 000.

As at the end of the financial year, debtors amounting to R372m have been disclosed for which a provision for bad debt of R272m has been calculated. Bad debts of R5m were written off during the 2012/13 financial year. The majority of the outstanding debt is within the domestic category of consumers.

Fruitless and Wasteful Expenditure has reduced considerably as additional procedures have been put in place for the prevention of interest by paying all creditors within the legislated time of 30 days after receiving invoices. ADM obtained a credit rating of A3.za with a stable outlook from Moody's Investment Services. This rating reflects the municipality's adequate financial fundamentals and its virtually debt-free status. The rating also considers the municipality's consistently sound liquidity position.

Strengths

ADM continues to maintain a virtually debt-free status, hence no additional interest costs. The municipality consistently demonstrates a sound liquidity position through monitoring of its cash flows and financial affairs.

Weaknesses

Poor revenue collection rates on water and sanitation services remain a challenge. ADM is actively trying to improve the collection rates by implementing restrictions and has also appointed an independent debt collector.

Financial ratios

Liquidity - ADM has maintained a current ratio above the norm of 2:1 for 2012/13 thus implying that the municipality is able to pay debts in the short term.

Collection rates

The collection rate target was 50% for the 2012/13 financial, however as at 30th June 2013, the actual collection rate was only 38%. One of the major causes of the variance is a high level of unregistered indigent consumers.

T 1.4.1

Financial Overview: Year 2012/13			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	1,077,177.00	1,077,177.00	1,180,875.00
Taxes, Levies and tariffs	-	-	-
Other	447,564.00	565,618.00	381,429.00
Sub Total	1,524,741.00	1,642,795.00	1,562,123.00
Less: Expenditure	1,012,900.00	1,130,621.00	1,131,272.00
Net Total*	511,841.00	512,174.00	430,851.00
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	34%
Repairs & Maintenance	3.2%
Finance Charges & Impairment	0.01%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee Costs

This ratio indicates the % employee costs to operating expenditure. Employee costs remain the largest operating expense to the municipality. The ratio should be indicative of the ADM's staff requirements to ensure that service delivery is maximised. The 2012/13 financial year yielded a ratio of 34 % which is slightly below the budgeted ratio of 36 %. This ratio is deemed appropriate and reasonable for the Amathole District Municipality.

Repairs and Maintenance

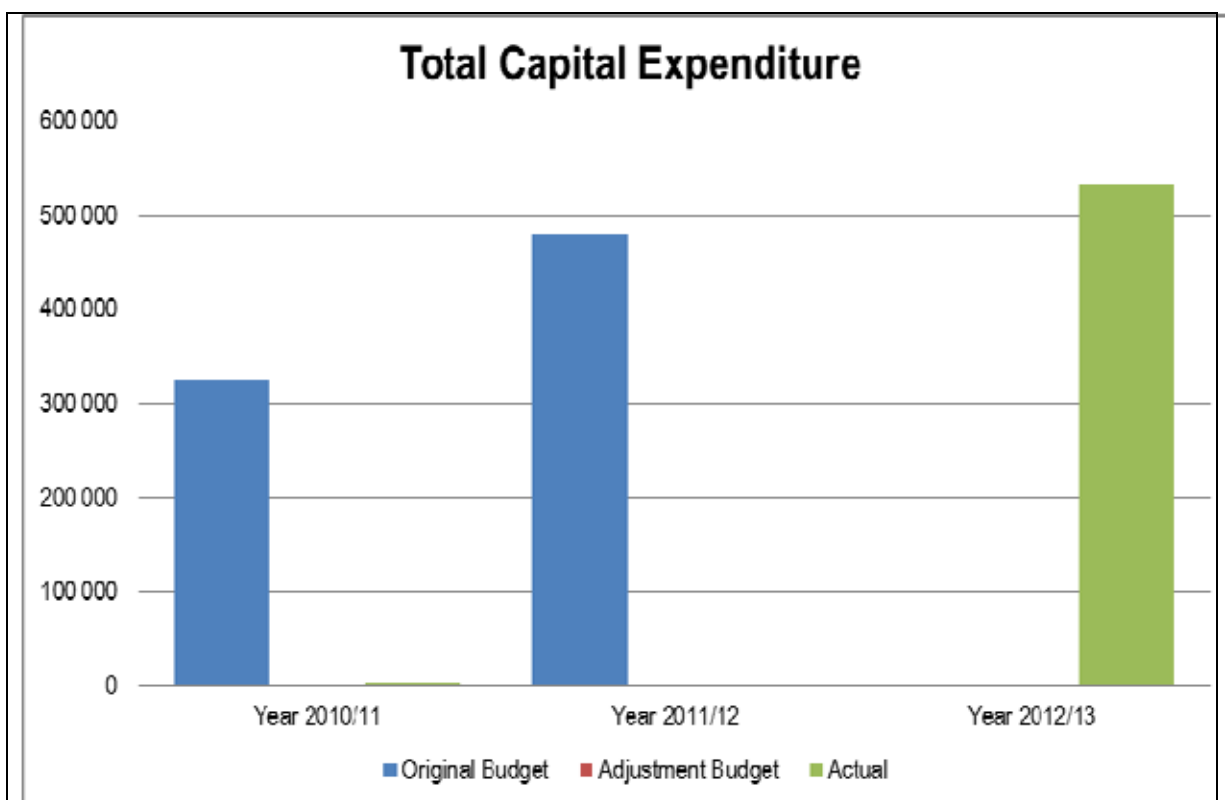
This ratio can be used to assess whether asset management is effective or not. The Amathole District Municipality's ratio is very low at 3.2% for the 2012/13 financial year (1%: 2011/12), but has increased from the prior year. To ensure that assets are adequately maintained, a programme for the planned maintenance and replacement is essential.

Finance Charges

This ratio is only 0.01% for the 2012/13 financial year (0.01%: 2011/12). The reason for the ratio being so low is that the municipality does not have any external borrowings other than finance leases for the rental of office machines that have been classified and recognised in accordance with the GRAP standard on Leases.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year 2010/11	Year 2011/12	Year 2012/13
Original Budget	324 136	480 369	511 841
Adjustment Budget	900	0	0
Actual	3 164	378 049	533 778
			T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE:

There was under spending by 27% on capital expenditure due to the equipment, office furniture and computers not purchased since there were some vacant post not filled. ADM had an under spending of 4% in total between actual and the budget which is below 10% hence the budget was spent accordingly.

T 1.4.5.1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Amathole District Municipality adopted several new policies during the year 2012/2013 and in some instances, existing policies were reviewed. Amongst the new policies developed and adopted by Council during the year are the Essential User Scheme, Rental Allowance policy, Relocation policy, Leave policy, Overtime Policy and Governance framework and the newly reconfigured Standing Committees of Council which are now aligned to the 5 key strategic areas of Local Government. Amongst the reviewed policies which were already in existence are telephone Management Policy, Substance Abuse Policy, Fleet Management Policy, Subsistence and Travel policy and the Recruitment & Selection policy.

With regards to the new policies, there was a sincere need for the development of such policies to help create a more conducive environment for employees to perform optimally and in return, targets be met on service delivery objectives. Central to the development of the policies was the conception of a Transformation Agenda which sought to transform the municipality and ensure that it is responsive to the needs of today and remains the employer of choice and as well, able to compete for human resources with other institutions similar and pedigree.

ADM has a Bursary on Rare Skills Programme that is aimed at assisting unemployed candidates from disadvantaged backgrounds. Eight (8) students are currently enrolled under the Bursary for Rare Skills Programme for Civil Engineering qualifications at various Tertiary Institutions. Each financial year, ADM accommodates a number of students who have been approved by their respective learning institutions to commence with Experiential Training with the a in 2012/13 im to expose them to the practical side of work. ADM had a total of nine (9) Internship candidates. Seven (7) candidates were recruited under the National Treasury programme and of the seven, two candidates have since been appointed at Amathole District Municipality and Amahlathi Local Municipality respectively. Two (2) more candidates were recruited under the Dept. of Science & Technology Internship programme. Both programmes are conducted in line with the stipulations of the two institutions. Twenty (20) students were engaged in the Experiential Training Programme during 2012/13.

ADM is also committed to improving literacy levels of its employed candidates who were not fortunate enough to complete formal mainstream schooling. The aim is to pave way to enable them to access the National Qualification Framework (NQF) levels and progress up the NQF ladder. The 2012/13 enrolment is ninety (90) candidates for the ABET Programme. It is ADMs social responsibility to ensure that all its employees possess a minimum level of numeracy and literacy.

T 1.5.1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 12/13 (CURRENT YEAR)

The Municipality received an unqualified audit opinion from the Auditor General. This opinion is being maintained from the previous financial year. This has been achieved through the dedication, commitment and hard work of relevant municipal officials with the guidance, support and monitoring by the political leadership.

An audit action plan was put in place and there was regular monitoring of this plan by the Executive Management Committee, Audit Committee, Mayoral Committee, Municipal Public Accounts Committee and Council.

T 1.6.1

1.7 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	

16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
<i>T 1.7.1</i>		

COMMENT ON THE ANNUAL REPORT PROCESS:

The MFMA Circular No. 63 published in September 2012 provides guidance to municipalities on the new Annual Report Format and its contents that is due for implementation in 2013. ADM followed the new format in developing its 2011/12 and 2012/13 Annual Report contents. This will ensure full preparedness by the year of implementation (2013/14). It is critical that ADM follows the new timeframes in preparing for 2013/14 Annual Report, in order to enhance oversight functions of Council.

By nature, Annual Reports are aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance. Another benefit in following the above timeframes is that the Annual Report information becomes the feeder to the IDP Situational Analysis report.

As much as ADM is following all the steps and activities reflected in the above statutory report process, the timeframes for the current year are as per IDP/Budget/PMS process plan adopted in August 2013.

T 1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

One of the key principles of good governance is the establishment of ethical leadership within an institution. In a municipal setting this translates into:

- the need to clearly define the roles and responsibilities of the leadership and individual leaders in a municipality;
- the embedding within the leadership of an ethical culture based on the vision and values of the institution and Constitutional principles, both to guide and to measure against, the actions of leaders; and
- the entrenchment of the principle of holding leaders accountable for their actions.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Amathole District Municipality is an Executive Mayoral type with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee. The Council has established a Committee system in line with the provisions of Section 80 (1) of the Municipal Structures Act 117 of 1998, as amended. In accordance with this provision the Municipality established the following Standing Committees with the terms of reference as reflected below:

INFRASTRUCTURE COMMITTEE Terms of Reference

1. The Committee shall have the power to consider and make recommendations to the Mayoral Committee on all the issues falling within the scope of the following functional areas:
 - Engineering Services
 - Water and Sanitation
 - Solid Waste
 - Transport and Planning
 - Community Facilities
2. The Committee shall in addition perform all functions assigned to it by Council, by the Executive Mayor or Mayoral Committee from time to time.
3. The Committee may and must, if instructed by Council, the Executive Mayor or the Mayoral committee, refer any matter which serves before it, to the delegating authority for its decision.

HUMAN RESOURCES & ADMINISTRATION COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendations to the Mayoral Committee on all issues falling within the ambit of the following functional areas:
 - Industrial Relations
 - Personnel Administration
 - Occupational Health and Safety
 - Conditions of Services and Staff Benefits
 - Resource Management
 - Council Assets
 - Land Transaction
 - Building Maintenance and Administration
 - Insurance
2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time.
3. The Committee may and must if instructed by Council, the Executive Mayor or the Mayoral Committee, refer any matter which serves before it to the Delegating Authority for its decision.

DEVELOPMENT AND PLANNING COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendation to the Mayoral Committee on all issues falling within the ambit of the following functions:
 - Land and Housing
 - Land Development Objectives
 - Integrated Development Plans
 - Tourism
 - Local Economic Development
 - Land Reform and Settlement Plan
 - Town and Regional Planning
 - Land Usage
2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time.
3. The Committee may and must if instructed by Council, the Executive Mayor or the Mayoral Committee, refer any matter which serves before it to the Delegating Authority for its decision.

COMMUNITY SERVICES COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendation to the Mayoral Committee on all issues falling within the scope of the following:
 - Fire Services
 - Municipal Health Services including Environmental Health

- Protection Services
- Disaster Management
- Community Safety

2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time
3. The Committee may and must, if instructed by Council, the Executive Mayoral or the mayoral Committee refers any matter which serves before it to the relevant delegating authority for its decision.

These committees are constituted by both Portfolio [Full Time] and Part-Time Councillors, chaired by Portfolio Councillors and attended by the Municipal Manager and Heads of Department. They have the power to consider and make recommendations to the Executive Mayor on all issues falling within the ambit of their functional areas. Standing Committees meet monthly in line with the Institutional Calendar developed by the Speaker and adopted by the Council.

During the period under review the Standing Committees have met monthly in accordance with the schedule of meetings adopted by the Council and have thus performed their function in terms of processing reports and policies and assisting the Executive Mayor in fulfilling her functions. Reports of the Standing Committees are submitted to the Mayoral Committee which further advises the Executive Mayor on implementation of programs.

SECTION 79 COMMITTEES.

Section 79(2) of the Municipal Structures Act 1998 states that the Municipal Council must determine the functions of the Committee. During the period under review the ADM Council had the following Section 79 Committees with the terms of reference as shown in the report.

THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee is established as a mechanism to assist Council to fulfil its mandate of overseeing the Executive and the Administration. It is a multi-party Committee representative of all the parties in Council and also includes members of the public drawn from the strategic stakeholders in society, ie the Youth, Moral Regeneration and the Farmers Association. The establishment of the Committee was informed by guidelines jointly issued by the National Treasury and the Department of Cooperative Governance and Traditional Affairs. The guidelines also provide for the position of the Chairperson of the Committee to be on a full-time basis. The terms of reference of the Committee were developed and adopted by Council at its inception and were subsequently reviewed during the period under review.

Since its inception the Committee has worked tirelessly to fulfil its mandate and during the period the committee developed an oversight report on the annual report and the annual financial statements for the 2011/12 financial year. From the work of the committee during the period under review it can be observed that:

- (a) The Committee has been able to create a better understanding of its work among the political and administrative office bearers in council.

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- (b) It developed a program of action intended to ensure continuous and complementary oversight over the Executive and the Administration
 - (c) Workshop members of the Committee in understanding their role.
 - (d) Ensure regular meetings and submission of reports of the committee to the Council.
 - (e) Visit to communities to present the annual report and obtain the views of the public for inclusion in the Oversight report.
 - (f) Develop an oversight report on the annual report for the financial year 2011/12.
 - (g) Take the annual report to communities and ensure citizen participation in evaluation of the performance of the Municipality.
 - (h) Facilitate engagement of the Municipal Public Accounts Committees of the Local Municipalities in ADM's area of jurisdiction to ensure synergy in annual reporting to communities.
 - (i) Conduct investigations into fruitless and wasteful expenditure as mandated by the Council.
 - (j) Conduct oversight on the employment practices of the Institution.
 - (k) Visit projects implemented by the Municipality to assess outcomes and gauge community satisfaction with service delivery.

THE RULES COMMITTEE

Since its inception the Council has established Rules Committee for the development and regular updating of the Rules of Council. The Rules Committee is a multi-party Committee of Council with proportional representation of all parties in Council. During the period under review, the Rules Committee has reviewed Standing Rules on two occasions to:

1. Ensure that the Rules are in line with legislation.
2. Ensure that the Rules reflect the current status in Council.
3. Provide for the participation of traditional leaders in Council

THE WOMEN CAUCUS

The Council established the Women Caucus under section 79 of the Municipal Structures Act as a mechanism to ensure Council employs gender lenses in its policy development and implementation. The Women Caucus is established in terms of section 11 of the Standing Rules and it is made up of all the Women Councillors in Council. The terms of reference of the Committee as adopted by Council are as follows:

1. To lobby Amathole District Municipality and Local Municipal Councils to develop, promote and implement gender policies.
2. To promote Women participation in the IDP and Budget processes of the Municipality.
3. To create public awareness about government policies and programmes aimed at the advancement of women and children rights and the rights of the aged.
4. To undertake and /or commission research on the impact of gender policies on women and children at the grassroots level.
5. To develop programmes to support married women, single mothers and the girl child.

The Women Caucus meets quarterly in accordance with the schedule meetings adopted by Council. In addition to its regular meetings the Women Caucus has participated in activities and programs in partnership with the Eastern Cape Gender Machinery to support the cause for the emancipation of women in the province and beyond.

THE WHIPS COMMITTEE

The Whips Committee is established in terms of section 10 of the Standing Rules of Council. The Committee consist of the whips of all political parties in council and is chaired by the Chief Whip of Council. The Committee performs any function assigned to it by the Council or as defined in terms of the Standing Rules. The Whips Committee meets as and when there are issues that require its attention especially those that relate to the smooth running of the meeting of Council.

T 2.1.1

POLITICAL STRUCTURE

MAYOR

NOMASIKIZI KONZA

SPEAKER

SAMKELO JANDA

CHIEF WHIP

SANDLA MTINTSILANA

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

(Names)

1. TEMBISA KUBUKELI: PORTFOLIO HEAD – PUBLIC PARTICIPATION & COMMUNICATION
2. SIYABULELA GENU: PORTFOLIO HEAD – STRATEGIC PLANNING
3. MZWAKHE MEMANI: PORTFOLIO HEAD – LOCAL ECONOMIC DEVELOPMENT
4. PENDULWA FINCA: PORTFOLIO HEAD – LAND & HUMAN SETTLEMENTS
5. LAVERNE JACOBS: PORTFOLIO HEAD – BUDGET & TREASURY
6. BOYCE MELITAFU: PORTFOLIO HEAD – INFRASTRUCTURE
7. CHRIS BIKITSHA: PORTFOLIO HEAD – WATER & SANITATION
8. JOYCE PAPU: PORTFOLIO HEAD – CORPORATE SERVICES

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| <p>9. PUMZILE BILLIE: PORTFOLIO HEAD – MUNICIPAL HEALTH</p> <p>10. EGNEW MADIKANE: PORTFOLIO HEAD – COMMUNITY SERVICES</p> |
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T 2.1.1

COUNCILLORS

The ADM Council had 50 Councillors during the period under review with 20 of them being Proportional representative Councillors and 30 being Local Municipality representatives. The Council adopted a schedule of meetings which provides for meetings of the council to be held six times a year, except where circumstance require the convening of a special meeting of council.

During the period Council has held its meetings in accordance with the schedule of meetings, except that Special Council meetings were convened in order to consider matters of an urgent nature amongst which was the appointment of a new Municipal Manager.

The Council also received a Government gazette appointing 10 traditional leaders to participate in the District in line with the provisions of section 83 of the Local Government Municipal Structures, 1998 as amended read with the Traditional Leadership and Governance Framework Act, 13 of 2003. The traditional leaders were sworn in to participate in Council and were subsequently inducted to familiarize them with legislation and the policies of the Institution. The Standing Rules and other policies were also reviewed to give effect to the participation of traditional leaders. The traditional leaders participate in all the Committees of Council except the Mayoral Committee.

T 2.1.2

POLITICAL DECISION-TAKING

Troika, which consists of Speaker, Chief Whip and Executive Mayor, convenes a meeting prior to the sitting of each Council meeting to discuss all issues to be tabled in the Council. The Municipal Manager and other support staff also attend the Troika meetings to provide guidance and advice. All political parties convene Caucus meetings before Council Meeting. The Council makes decisions on all matters pertaining to community development and service delivery in the ADM area of jurisdiction. Council resolutions are taken on the basis of reports and recommendations made by the Committees.

Reports submitted in Council are classified into

(a) Reports for noting- these are reports on matters in which the Executive Mayors has taken a decision in line with her legislated and or delegated functions.

-(b) Reports for approval- These are reports on matters that may not be delegated as stipulated in section 160(2) of the Constitution, 1996 as amended.

All resolutions of the council are implemented and the Council has a system to track the implementation of resolutions. There is a standing item under the reports of the Speaker on the tracking of the implementation of Council resolutions. The tracking of the implementation of resolutions is done through a template which is sent to Directors to indicate if the resolutions have been implemented or not and a report to this effect is submitted to Council by the Speaker. In that way, all Council resolutions are resolved and followed-up. All resolutions taken are implemented, however, there could be exceptional cases where resolutions were not implemented due to factors such as financial constraints, legal issues, land claim challenges, etc.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of administration and is the Chief Accounting Officer as described under section 55 of the Municipal Systems Act 32 of 2000. As the head of administration, the Municipal Manager is charged with specific responsibilities. At Amathole District Municipality, the MM is subject to the policy directions of the Municipal Council and is responsible for the following amongst the many responsibilities attached to his office:-

- development of the Municipality's Integrated Development Plan in accordance with chapter 5 of the act and that he does through a unit that was established at ADM known as the Monitoring, Planning and Evaluation Unit. The Unit falls under the Strategic Planning & Management department and is headed by a Senior Manager. Within the same unit, there are offices that deal with Institutional performance and those that deal with individual employee performance to ensure that there is synergy in both functions. Performance issues are tasked to the Strategic manager who is responsible for institutional performance.
- development of a performance management framework, and the ADM approved its reviewed PMS for 2012/13 timeously and implementation was undertaken under the year in review. The MM is also responsible for ensuring compliance to the PMS.
- As part of his responsibilities, the MM is also responsible for implementation of the municipalities IDP and the monitoring of progress with the implementation plan and such is conducted through the ADM's IDP representative Forum and the IDP steering Committee which convenes frequently and is also reflected in the ADM institutional calendar.
- The Municipal Manager is as well responsible for the appointment of staff other than those referred to in section 56(A) of the Systems act and he does that under the guidance of the Council approved recruitment and Selection Policy. The policy is reviewed yearly to ensure its relevance and sometimes reviewed due to an urgent matter that might necessitate that.
- The ADM Municipal Manager also has a responsibility of advising the political structures and political office bearers of the municipality and that he does by attending all scheduled meetings of section 79 and 80 committees to ensure that when ADM structures deal with reports, he is available to offer advice. All this he performs with the assistance of the ADM Directors and always draws on their expertise to ensure that the ADM Council receives the best possible advice. The MM also established a legal Service unit which also assist with credible advice and in instances where expertise is not enough internally, the external experts are roped-in to offer advice to Council.

ROLE OF THE DIRECTOR: CORPORATE SERVICES

The Director: Corporate Services is a Manager employed in terms of Section 56(A) and is directly accountable to the ADM Municipal Manager. The Director's role is to provide strategic guidance and leadership within the Corporate Services department by ensuring that sound human resources policies are developed and implemented within the entire institution. The Director: Corporate Services is charged with the following responsibilities:

- developing and managing strategies and programmes that work towards the achievement of goals relating to personnel provision, organizational development, human resource development, auxiliary services, council support, employee wellness, occupational safety, risk management and personnel administration.
- plays an advisory role in relation to senior Management and council leadership regarding relevant policy and legislative issues of compliance. The office of the Director Corporate Services is also responsible for the department's annual capita budget and operational budget.
- carries further responsibilities with regards to submission of reports to the Committees of Council on issues relating to Annual report and the development of the Integrated development plan. Lastly, the office is responsible for ensuring optimum utilization of Council resources.

ROLE OF THE CHIEF FINANCIAL OFFICER

In terms of section 80 of the Municipal Finance Management Act 56 of 2003, a municipality must have a Budget & Treasury office which should consist of a Chief Financial officer designated by the accounting officer of a municipality. ADM CFO is responsible administratively, for the budget and treasury office and amongst his duties are

- to advice the MM and assist him in the administration of the municipality's bank accounts and in preparation and implementation of the municipal budget.
- performing budget issues, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management and many other responsibilities.

ROLE OF DIRECTOR: LAND, HUMAN SETTLEMENTS & ECONOMIC DEVELOPMENT.

The Director is heading the department and accountable to the Municipal Manager. Amongst his roles are the following

- lead the department and provide strategic guidance and leadership on all issues relating to economic development within the district. In performing that, his department works closely with the development agency established by ADM known as ASPIRE. The agency has a mandate from the district municipality to champion economic development through the area of jurisdiction of ADM. There is also expectation that the district will work closely with local municipalities under its area of jurisdiction to promote economic development
- managing the EPWP programme (Expanded Public Works programme) which seeks to accelerate employment within the district.

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- also responsible for functions relating to land reform and spatial planning and also human settlements. This housing function also assists with the formalization of informal settlements in order to be able to provide services.

ROLE OF DIRECTOR: ENGINEERING SERVICES

The Director is responsible for the following functions:-

- Water Service Authority
- Water Service Provision
- Building and Services Planning
- Integrated Transport Management
- Integrated Waste Management

The department is the core of the municipality due to the fact that ADM was granted the status of a water service authority and as a result, the bulk of the municipal budget is allocated to the provision of water and sanitation services. The municipality is progressing well towards achieving its targets.

The Director is also responsible for managing staff who are performing the water functions and provides strategic leadership on all water and sanitation functions including building and planning services.

ROLE OF DIRECTOR: STRATEGIC PLANNING & MANAGEMENT

The Director is charged with the following functions:-

- Planning, Monitoring and evaluation of municipal and individual performance within ADM.
- Local Municipal Support which mainly deals with the support provided to local Municipalities as per the mandate given to District municipalities.
- Information Communication Technology and support to the departments.
- Risk management as prescribed in the MFMA as a compliance issue.
- Communication, Intergovernmental and International Relations

ROLE OF DIRECTOR: HEALTH & PROTECTION SERVICES

The Director is responsible for the following duties in her department:-

- Municipal health Services which deals with environmental health services and inspections and also the testing of water samples for compliance.
- Protection services which involves fire services and disaster management. There also run awareness campaigns regarding issues of community safety.

ROLE OF DIRECTOR: LEGISLATIVE & EXECUTIVE SUPPORT SERVICES

A new department known as the Legislative and Executive Support Department was established in the year under review. The role department was mainly established to assist the offices of the Speaker, Executive Mayor, the Chief Whip of Council and the Chairperson of the Municipal Public Accounts Committee (MPAC). The department is fairly new with a low staff complement however; it has managed to make a significant difference in its short space of existence. There is now more coordinated support for the political offices.

All seven (7) Section 57 Managers are full time members of the Executive management Committee which is chaired by the Municipal Manager. Such a structure is responsible for processing reports before they are submitted to the all structures of Council. The reports that form part of the EMC agenda are submitted by the various ADM departments and in that structure, all Managers contribute to fine-tune the content of the reports and ensure that the structure and content are relevant for the next structure which is the Mayoral Committee chaired by the Executive mayor of ADM. When reports proceed to the next structure, they are wholly owned by the collective of management and the content is no longer aligned to a particular department and in that way, the cooperation and support amongst the managers is most beneficial to the institution.

The Managers also serve as a collective in the IDP Representative Forum which is where IDP issues are discussed and the IDP process is most central to the issues of service delivery. Departments collaborate during planning to ensure that there is inclusive planning and integration is realized. The manager's continuously advise one another in line with their specialized skills and expertise and the IDP becomes more inclined towards the poor and as such, service delivery is prioritized and as well realized. Through a structure established by the Municipal Manager known as the Projects Committee, the managers are able to assist each other in ensuring that funding is spent accordingly and timeously to avoid roll-overs and as a result thereof, in the year under review, there has been no roll-over of funds and in instances where project funding could not be exhausted, departments were requested to declare such funding in order for the funds to be re-directed where they are needed most.

The managers have also been allocated to serve in the Bid Committees in order for them to offer their expertise in those structures and the manner in which they execute such responsibility benefits the institution. There are instances where projects seem to be encountering challenges and delays are experienced and in those instances, the collective of management would jointly come up with lasting solutions to such challenges. On several occasions, service providers have been terminated due to poor performance and such decisions have been taken jointly by management which is a sign of good governance and cooperation, by the implementing departments.

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE	
<i>Executive Directors</i>	MUNICIPAL MANAGER MR CHRIS MAGWANGQANA
	DIRECTOR: STRATEGIC PLANNING & MANAGEMENT MR RALPH ROLAND LINKS
	DIRECTOR: CORPORATE SERVICES MR LULAMILE TALENI
	DIRECTOR: ENGINEERING MR MPUMELELO SHEZI
	DIRECTOR: HEALTH & PROTECTION MS SIZEKA TALENI

DIRECTOR: BUDGET & TREASURY
MR NKOSINATHI SOGA

**DIRECTOR: LAND, HUMAN SETTLEMENTS
& ECONOMIC DEVELOPMENT**
MR MPUMELELO GABA

**DIRECTOR: LEGISLATIVE & EXECUTIVE
SUPPORT SERVICES**
MRS LINDA SIMANGA

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Section 41 of the Constitution of the Republic of South Africa states that, structures have to be established to coordinate Intergovernmental Relations within and across the spheres of government. In terms of compliance to the act, ADM is doing very well in establishing a coherent government in the district as well as coordinating effective provision of services within the area of its jurisdiction.

The IDP and Budget Processes are a typical Intergovernmental Relations exercise in which all the municipalities and some sector departments, parastatals and communities participate to contribute to the Strategy of the municipality. Through the quarterly sector forums ADM is able to monitor participation and progress in the implementation and alignment of legislation and policy by the sector departments and municipalities throughout the district. Both the technical and political forum are very effective in tracking service delivery programmes in the district and have been very much instrumental in shaping a district opinion in preparation for provincial and national intergovernmental realtions platforms.

Government departments are made to account in the district forums for the work they do in the ADM local municipalities. The agenda setting of ADM IGR forums is a responsibility of key stakeholders of IGR in the district. They all decide what goes into the agenda of the District Mayoral Forum. ADM IGR forum agenda has items that are designated to be standing items of the meeting. These are items that are seen to be direct to the competencies and the survival of local government e.g. Municipal Support, the IDP, monies owed to municipalities etc. ADM IGR structures also serve as a platform for learning and sharing of the best practices in the district.

Conducting IGR in the district has its own challenges. Some of the challenges are a direct result of the Act. Government officials usually take advantage of the gaps that Act provides e.g. that the act does not offer provision or a deterrent for non-compliance. This has resulted to failure to achieve joint collaboration in identification, planning and implementation of projects. There still exists a silo approach to governance by most sector departments. The highlight of ADM IGR is the levels of understanding that all the spheres of government have in terms of their accountability to the district for the work that they do in the district.

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

It is difficult to measure the participation of ADM in the National IGR structures because of the way they are structured. Both in the President's Co-ordinating Council and the Minmecs, representation of local government is by design of SALGA, the organization that represents local government. So one can say that there is no direct participation by ADM in the National Forums.

The municipality depends mostly on the reports and recommendations that it receives from the municipality representing them in PCC or the Minmecs. On the positive side the National structures give the municipalities a platform to be heard on matters of national interest. There is also the FOSAD, the Forum for heads of administrations of government, ADM is represented by the Municipal Manager in this Forum. The district benefits a lot from the information shared between the heads of government institutions especially from the administration side.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

ADM Executive Mayor and the Municipal Manager attend the Premiers' Coordinating Forum and the Technical Support Group respectively. The structures consist of representation from all the district municipalities, the Metros in the province and the provincial and national sector departments in the province. Issues of compliance in terms of governance and service delivery are lifted and discussed at this level. Issues discussed at these forums are matters of direct concern to local government.

The district municipalities get the platform to table the concerns of local government about issues of mutual interest. On the other hand, the platforms are useful in the sense that they give direct interaction between the heads of municipalities and those of sector departments. The office of the Director General in the province is then able to have a good assessment of the state of governance in the province including that of local government.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Amathole Economic Development Agency SOC Ltd t/a Aspire, is the wholly owned state owned company of ADM. It was formally registered and established on the 1 September 2005, with the mandate to promote economic development within the District in the areas of economic production and commercial activities.

The entity has Board of Directors which sits quarterly and the municipality is also sitting as observer during their board meetings. The board of directors is ultimately responsible for oversight of the company in all material aspects, it ensures that issues relating to governance and accountability form the basis of the relationship with ADM. The relationship is managed by a service level agreement, as well as the MFMA, and the Company's Act, which outlines the roles, obligations and responsibilities of each party. Reporting is required on a monthly basis to ADM.

The agreement with the municipal entity is in line with the regulatory framework governing local governing local government and local government entities, in their common effort to attain the objectives set out below. In particular, the agreement that was signed with ASPIRE seeks to ensure compliance by the parties in with relevant provisions of the MFMA, without impeding ASPIRE in performing its operational responsibilities.

The aim of this agreement is to facilitate the promotion and stimulation of local economic growth and development within the District, through a range of programmes, projects and initiatives, consistent with the Municipality's integrated development plan. The agreement is also highlighting the programmes that need to be performed by ASIPRE in terms of promotion of Economic Development of the Region. ASPIRE gets an allocation from the municipality for its operations and also submits the quarterly reports on the programmes that they have implemented.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

In terms of section 83 (3) of the Municipal Structures Act 118 of 1998 District municipalities have to provide support to their local municipalities and build their capacity. ADM has institutionalized its relations with municipalities within its jurisdiction. It has established a number of sector specific forums which also appear in the calendar of the institution. These are, amongst others, District Planning Coordinating Forum, Water Forum, Finance Forum, LED Forum, Tourism Forum, etc. In these sector forums, ADM is able to monitor progress on governance issues, alignment of policies, and the effectiveness of service delivery.

There is also the Municipal Support Unit within the Strategic Management and Planning Directorate that consists of specialists in the various competencies that ADM has to deal with in the local municipalities. The unit consists of Managers that support municipalities on issues of Engineering, Finance, Human Resources, ICT, etc. From time to time ADM visits or convenes meetings with these municipalities to ensure their compliance. All the support that ADM renders to the municipalities is reported through this unit. The other way that ADM relates with its municipalities is through the District

Technical and District Mayor's Forum. There are also some bilateral meetings that take place between ADM and the LMs whenever there is an activity that ADM seeks to implement in that municipality.

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

ADM has developed a Public Participation Policy Framework which was adopted by council. There are constant meetings with communities, or with structures and forums within the communities. Meetings are held quarterly. Apart from Public Participation, there is a fully fledged Communications Unit. ADM is also governed by a Public Participation and Petitions policy which provides a framework on how we interact with communities and why.

Over and above the organizational values, ADM is committed to the following values:

- ☐ Accountability to the community aspirations and meeting the community needs;
- ☐ Dedication and honesty in producing work that meets the developmental and service delivery requirements of the district;
- ☐ Commitment to the transformation of society and the workplace and to ensure fair and equitable distribution of resources to citizens of the ADM;
- ☐ Showing concern for the people of the district;
- ☐ Believing in transparent decision making and promoting fair participation.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Citizen participation continues to capture centre-stage position in many policies of nation-state and international development agencies. Community or citizen participation means the involvement of citizens in a wide range of administrative policy-making activities; including the determination of levels of service; budget priorities and the acceptability of physical construction projects in order to orient government programmes toward community needs; build public support and encourage a sense of cohesiveness within society. It is in this spirit that ADM embarks on Public participation to fulfil the following:

1. To provide information to citizens;
2. To get information from the citizens;
3. To improve public decisions, programmes, projects and services;

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4. To enhance acceptance of public decisions, programmes, projects and services;
 5. To assess the situation in localities and react accordingly;
 6. To identify red zones that need immediate attention;
 7. To continue profiling the municipality by launching and handing over all major projects.
 8. To coordinate all public participation activities in the institution and district government departments

ADM has a set programme for community participation that consists of activities held in different municipalities throughout the financial year. These include:

- Water forum meetings which are attended by ward councillors, ward committees, CDWs; religious sector; Ratepayers, business sector, traditional leaders.
- District Communicators Forum
- IDP Road-shows which are attended by ward councillors, ward committees, CDWs; religious sector; Ratepayers, business sector, traditional leaders.
- Annual report road shows/representation by local municipalities within the district
- Launch of big events, these are attended by the general community, ward councillors and ward committees, CDWs and traditional leaders are also invited.
- Imbizos are also held quarterly.

To improve effectiveness of these forums meetings are announced in good time, transport is provided for ward committees, meetings are held quarterly and opinion surveys are also held. Central in the awareness campaigns led by ADM is water demand and management. Water losses have been identified as a major problem in this municipality and consequently communities are encouraged to assist the municipality to identify such spots. It is in these meetings where the communities through their representatives get an opportunity to interact with the Municipality in all water related matters.

The Water Forum meetings are held to fulfil the following:

- To address water challenges as per questions and answers as collected during IDP road-shows and those that are channelled through councillors or community representatives.
- To create a platform for political leadership to interface with communities or stakeholders representatives.
- To collect issues to be referred to other departments within the institution and/or to sector departments and ultimately to our IDP.
- To create a positive spirit with the view to foster cooperation amongst members of the community and the municipality.
- To monitor projects implemented by the municipality.

The Mayoral Imbizo (public gatherings):

Specific hotspot areas are identified where a series of issues that are service delivery related are in magnitude. The Executive Mayor and the entire Mayoral committee visit those areas to hold a hearing and address or find remedies to these matters. These are held whenever the need arises.

Annual Report Public Hearings

The campaign was done in collaboration between the Executive and the Office of the Speaker under the guidance of MPAC. It took place in the third quarter of the financial year. It is per the prescripts of Chapter 4 of the Municipal Systems Act that encourages the municipality to account to the public on all

matters relating to finances and performance.

IDP/Budget Road-shows 2013:

In compliance with legislation wherein local government is mandated to encourage community participation in the decision-making process of Council, ADM undertakes an annual IDP/Budget/PMS Road-show to various communities at local municipalities. The IDP/Budget road shows were conducted during April 2013 in its seven local municipalities known as Nkonkobe, Nxuba, Amahlathi, Mbhashe, Mquma, Ngqushwa, Great Kei. There was also a Business Breakfast that was held at Komgha in Great Kei.

The ADM IDP/Budget road-shows for 2013 were meant to report back on current performance and also to communicate the plans and programmes with the budget of the district municipality for the forthcoming year. During this process, community members are free to express their concerns and needs, and a question and answer (Q&A) document is drafted for discussions and consideration in the final draft IDP document which is ultimately presented to Council for approval. The ADM's road-shows schedule for the year under review (2-12/13) had a different approach to that of the previous years in that the focus was on towns instead of municipalities. Furthermore, ADM decided to employ a clustered approach for the road-shows, thus, over and above the local communities, the rate payers associations, local business organisations, ward committees and Community Development Workers were targeted for attendance.

T 2.4.1

WARD COMMITTEES

The District Municipality has no direct interface with Ward Committees as they are a competence of local Municipalities. However in interaction with Speakers, through the Speakers Forum, the District is able to access information on the functioning of ward committees in the local municipalities. The Municipality invites ward committees to participate in its public participation activities especially during the development and review of the Integrated Development Plan, Budget and the Performance Management System and the Annual Report review as required in terms of the Municipal Systems Act.

Ward committees and ward councillors are gate keepers to our wards, so they are essential in all our activities. Ward committees are foot soldiers in that they carry messages from ADM to communities. They are part of our meetings and are essential stakeholder. Although they are attached to local municipalities, they are positively utilized by ADM.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Home visits during MRM month	16-24/07/2012	4	6	10	Yes	
Mandela day	18/07/2012	15	3	100	Yes	This is annual event.
Christmas in July	20-22/07/2012	10	6	300	Yes	This is an annual event.
Closure of MRM month	21/08/2012	5	4	30	Yes	Continuous communication exists between the office and forum representatives. A steering committee Has been formed .
Women's month	024/08/2012	10	20	300	Yes	Project steering committee formed to monitor progress. More than 100 people are employed.
Public Participation with DST	27/08/2012	3	5	100	Yes	On going event to address water and sanitation issues.
Mayor's challenge	12-16/09/2012	15	10	50	Yes	Annual event which is a tool to show case tourism in the district and attract tourists.
Heritage day	16/09/2012	15	10	300	Yes	A marketing event wherby ADM promotes it heritage and tourism destinations.
Arbour Day	18/09/2012	5	15	350	Yes	Awareness campaign which was successful.
Wellness Day	24/10/2012	5	12	500	Yes	Promotes jealth among working force.
WASH and launch of toilets	24/10/2012	10	6	300	Yes	Promotes health and use of sanitation facilities.
Youth graduation	26/10/2012	10	5	100	Yes	Motivation by redirecting learners to water conservation areas of learning.
Launch of water harvesting programme	01/11/2012	3	6	200	Yes	Promotes water conservation through water harvesting. It is a successful programme implemented to dry rural areas where water pipes are still to be installed.
Water forum	02/11/2012	4	7	150	Yes	This is a platform where communities interface with

						political leadership to discuss water related challenges in their areas.
Capacity building to youth	06/11/2012	3	5	100	Yes	Encouraging youth to participate in the affairs of the municipality and to partake in activities aimed at building capacity in relation to agriculture.
Toilet Day	25/11/2012	8	5	300	Yes	Sanitation processes are key to changing lives of the people.
Support to Fashion designers (SMME's)	28-29/11/2012	5	8	150	Yes	Providing support to SMMEs as a way to promote LED.
Craftmania	29-31/11/2012	10	8	150	Yes	Providing support to SMMEs as a way to promote LED.
Disposal of dead summit	29/11/2012	3	7	150	Yes	
Commemoration of 16 days of activism	12-Jun-13	8	4	200	Yes	
Christmas for children	22/12/2012	10	12	100	Yes	
Annual report public hearing	12-21/02/2013	15	12	700	Yes	
Water week	19-26/03/2013	5	7	200	Yes	
Graduation for process controllers	3-Aug-13	9	4	100	Yes	
Tourism imbizo	13-15/03/2013	15	10	200	Yes	A marketing event wherby ADM promotes it heritage and tourism destinations.
Mayor's cup 2013	16/03/2013	10	13	300	Yes	An anti crime event aimed at young people.
Commemoration of Human Right's Day	26/03/2013	10	10	300	Yes	Annual event that seeks to impact knowledge to people.
IDP/Budget Public Hearing	11-25/04/2013	15	15	300	Yes	Bringing services and budget to the people.
Repatriation of Makhanda Spirit	20/04/2013	10	8	200	Yes	Social event which is also impacting on heritage in the district.

Council Open Day	5-Sep-13	50	15	300	Yes	Platform for the Mayor to address successes of the district and points out projects to be implemented.
SODA	30/05/2013	50	15	300	Yes	Platform for the Mayor to address successes of the district and points out projects to be implemented

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

2012-2013 activities and public participation events were very successful. A feedback from the communities indicates satisfaction. Communities categorize our public participation events as successful on the following grounds.

1. They allow for the communities to get an opportunity to input on ADM's IDP.
2. They get an opportunity to interface with leadership.
3. They receive first-hand information.
4. They get feedback promptly
5. Above all they are able to assess the performance of the municipality on the basis of items promised and achieved.
6. Annual report serves to give indication to the municipality's performance on expenditure patterns.
7. They recognize the institution as one that promotes transparency, accountability and value for money.

T 2.4.3.

2.5 IDP PARTICIPATION AND ALIGNMENT

Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The implementation of the principles of good governance as promoted in the third King Report on Governance for South Africa, 2009, and enshrined in the Code of Governance Principles for South Africa (hereinafter referred to collectively as 'King III') have been accepted as a crucial element towards the success of Government, including local government in meeting the needs of the people of South Africa.

The first step to achieving ethical leadership is for the leadership within a municipality, whether office bearers, managers, political committees or any other structure promoting leadership within the municipality, to clearly understand their roles and responsibilities, including the separation of duties as provisioned in legislation. A clear understanding of such roles and responsibilities will then allow for an ethical culture and the principle of accountability can take root within the institution.

Therefore, the Amathole District Municipality, through its Good Governance Framework, seeks to outline in summary the different roles of different structures within the municipality. The Framework outlines the working areas and boundaries for all structures and office bearers and its basis will be the provisions made by legislation. The purpose of the Framework is ensuring that political and administrative structures are aware of their roles and responsibilities to ensure synergy in the way Council structures operate; in the delivery of ADM's core objectives against a code of ethics.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Purpose of Risk Management is to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipality's objectives.

Legislative Requirements

Section 62 of the Municipal Finance Management Act 56 of 2003 states that:

- The accounting officer of municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps-
 - That the resources of the municipality are used effectively, efficiently and economically;
 - That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards ;
 - That the municipality has effective, efficient and transparent systems-
 - Of financial and risk management and internal control; and
 - Of internal audit operating in accordance with any prescribed norms and standards
- ADM' s top five risks are as follows:

-
- Inability to create jobs, alleviate poverty and create a thriving business environment within the district.
 - Fraud and corruption
 - Poor asset management
 - Business Continuity failure
 - Lack of understanding of LED responsibility within ADM

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The ADM has in place an Anti-Fraud/Corruption Management Strategy, which consists of the following key components:

- The ADM Anti-Fraud Management Policy'
- The ADM Whistleblowers Policy;
- The ADM Ethics Code for Staff; and
- The ADM, Fraud Prevention Plan.

During the year, the following key risks remain the focus of anti-fraud and corruption management at the ADM

- IT security;
- Procurement under the value of R30 000.

Supply Chain Management has responded in addressing fraud risks associated with procurement, by various initiatives including moving towards the centralizing of all procurement under the SCM unit, commencing with procurement by way of formal quotations between R30 000 and R200 000. This will also more strictly promote a division of duties in respect of the various areas of procurement, including identification by departments of goods and services required, the calling for quotations, the evaluation process, the adjudication process, confirmation of delivery, and payment.

In addition various staff members underwent fraud/corruption awareness and risk identification training. During the year, 25 reports were received via the ADM hotline. All these reports alleged abuse of ADM's vehicles. Following preliminary internal investigations, three cases of alleged fraud and theft were handed over to the South African Police Services for further criminal investigation.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The SCM Policy was initially developed and implemented to give effect to the SCM Regulations on 1 October 2005. The Policy was reviewed during 2007, 2010, 2011, 2012 and again during 2013. The Council adopted the last reviewed policy on 30 August 2013.

ADM has established a Supply Chain Management Unit in line with the internal Supply Chain Management (SCM) Policy. Currently there are 23 SCM officials appointed in the Unit. The ADM SCM Policy has been designed to be fair, equitable, transparent, competitive and cost effective. The Policy does comply with the prescribed regulatory framework for municipal supply chain. There is a range of supply chain management processes which includes tenders, quotations, disposals and deviations. The Policy does specify which process must be followed for each range of commodities. There are procedures and mechanisms in place for each type of procurement process that is required to be followed. There is flexibility in the process in cases of emergencies and if the contract is below the prescribed thresholds. The Municipality also undertakes a pre-qualification of all bids received during a competitive bidding process. Bid Administration is strictly adhered to when advertising, opening, registering, recording, evaluating and adjudicating tenders. The final terms of the contracts are negotiated in certain circumstances.

Annually officials and councilors are required to disclose any conflicts of interests and any business interests they may have. The SCM System ensures that no persons who are not officials of the Municipality are involved in the procurement and tender processes. Councillors are prohibited from participating in the tender process. The Municipality has also prohibited persons who were previously convicted of fraud and corruption during the past five (5) years, who have failed on a contract in the past five (5) years, and whose tax matters have not been cleared by the South African Revenue Services from participating in the Municipal procurement process. Measures have been put in place to combat fraud and corruption. The Municipality has high ethical values. Where awards of tenders have been improperly made, these contracts are invalidated.

The Municipality has in certain circumstances participated in contract procured by other organs of state. A contract management unit exists within the SCM Unit that deals with contract management matters and dispute settling procedures. A delegation framework is in place for supply chain management powers, duties and functions. In line with the Municipal Finance Management Act (MFMA), the Accounting Officer has established the various Bid Committees. The Municipality ensures that the tender process is fair, equitable, transparent, competitive and cost effective to all parties. Currently the Municipality has not contracted for any goods and/or services beyond three (3) years.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 2012/2013					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
No new by-law introduced during the year	No by-law reviewed during the year in question				
*Note: See MSA section 13.					

T 2.9.1

COMMENT ON BY-LAWS:

ADM's Municipal Code of By-laws was developed in 2010, with extensive public participation programme being followed in April 2010, with the following by-laws being gazetted in June and July 2010:

- Disaster Management By-law;
- Fire Safety By-law;
- Municipal Health By-law;
- Passenger Transport By-law;
- Revenue Management By-law;
- Waste Management By-law; and
- Water Supply and Sanitation Services By-law

Currently the Revenue Management By-law is under review.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	03 July 2012 – Budget. 24 January 2013 - Budget Adjustment
All current budget-related policies	Yes	30 May 2012
The previous annual report (Year 2011/12)	yes	28 march 2013
The annual report (Year 2012/13) published/to be published		January 2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	yes	31 October 2013
All service delivery agreements (Year 0)	Yes	5-Jul-12
All long-term borrowing contracts (Year 0)	N/a	
All supply chain management contracts above a prescribed value (give value) for Year 0	yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No disposal	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	yes	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

A special editorial team that will span across all department is being established as per the Communications action plan currently under review to ensure content compliance to the MFMA 75 so as to address any shortfalls in content. The municipality has recently developed a mobile responsive version of the website so as to ensure that council information can be reached even on mobile devices i.e. cellphones. In an effort to monitor usage statistics, all web-pages on the website have been loaded with a hit counter that measures unique visitors, what documents they access/download and the most accessed content.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

ADM undertook a Community Satisfaction Survey in the year 2011/12. Summary of the results of the survey were as follows:

Summary / conclusion: Services:-

1. People are satisfied with water but not with sanitation;
2. Strong perception that poor roads have an impact on tourism;
3. People are happy to pay for services

Summary/conclusion: LED:-

1. People not satisfied with the promotion of LED Opportunities especially with regard to tourism and local investment;
2. Possible weakness in communication strategy rather than actual issues;
3. More detailed research to determine the source of LED performance;

Summary / conclusion: Governance and Public Participation:-

1. People trust ADM but would like to see an improvement in transparency;
2. People would like to be heard but do not submit their opinions to ADM;
3. Communication of Council Decisions, policies, etc needs to improve;
4. Customer Care offices are under-utilised, further research required;

Summary / conclusion: Governance and Public Participation:-

1. People trust ADM but would like to see an improvement in transparency;
2. People would like to be heard but do not submit their opinions to ADM;
3. Communication of Council Decisions, policies, etc needs to improve;
4. Customer Care offices are under-utilised, further research required;

Summary / conclusion: Municipal Support:

1. Currently the ADM is conducting the support impact provided to Local Municipalities and this will provide the actual support outcomes.

From this pilot survey, the following key recommendations were made:

- ☐ A further survey study should be undertaken with a more representative sample of the community. The questionnaire should also be refined and expanded to include more in-depth questions to illicit a greater understanding of the dimensions surveyed.
- ☐ The communication strategy needs to be revisited and developed to accommodate the issues raised by this study relating to LED, indigent subsidies, receiving community input, communication council decisions, performance etc.
- ☐ Further research and understanding of the customer-care department and functions needs to be undertaken. This could possibly be undertaken in the format of an organizational diagnosis (OD) with concrete recommendations for improvement.
- ☐ In terms of the MSU, it would appear that a further understanding of its effectiveness should be undertaken. An OD should be undertaken which could inter-alia analyze the following:

- Review the current organisational structure and the structuring of the MSU at ADM and to make recommendations of the current configuration and possible future design to ensure maximum and efficient support to the respective LM's.
- Review the current financial structure and financing strategies to ensure that the MSU and its programmes are sufficiently funded and that the budget is optimally allocated.
- Review and describe the current control mechanisms and to recommend how they can be structured and improved improve efficiencies.
- Review the current communication channels and forums to identify how the communication flow can be improved and make recommendations thereto.
- Review the current and future personnel requirements and make recommendations as to what the most effective organisation and personnel requirements will need to be to meet future requirements.

T 2.11.1

Satisfaction Surveys Undertaken during: Year 2011/12				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
Municipal Service Delivery	The research focused on all the Service Delivery Perspectives.	2011/2012 Year	Conducted samples in all the 7 LMs	
Satisfaction with:				
(a) Refuse Collection	Local Municipal Function	N/A	N/A	N/A
(b) Road Maintenance	Local Municipal Function	N/A	N/A	N/A
(c) Electricity Supply	Local Municipal and ESKOM Function	N/A	N/A	N/A
(d) Socio Economic Indicators & Perception	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	42% live in a formal house (CS2007 = 40%); 51 % earn less than R 2,200 a month; 39% reliant on Social Grants (SC 2007 = 40%)
(e) Water and Sanitation on Agriculture & Tourism	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Water & Sanitation <u>not</u> a challenge for Agriculture & Tourism; Poor Roads main Challenge for Tourism (40%) Poor Marketing and Tourism Attractions
(f) Satisfaction with Life	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	60% are not satisfied; Poor Support by Community; 60% are healthy; Good support from Family and friends;

(g)Municipal Services	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Paying for services is the right thing to do (72%) Seen improvement in the past 5 years (49%) Crime situation has gotten worse (50%) Stayed the same (34%)
(h)Water Services	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	52% are satisfied with water supply; 35% are not satisfied with water supply; Tampering of services is a problem (Great Kei)
(i)Public Participation	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	28% do not trust ADM; 60% not satisfied with transparency of Council Decision; 63% not satisfied with involvement in Council Decisions; 38% feel their ideas will be heard by Policy Makers;
(j)Communication	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	22% Generally satisfied with communication; 38% satisfied with communication strategic plans; 50% not satisfied with Council decisions; 11% satisfied with communication by laws;
(k)Customer Care	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Did not know there was a Customer Care Office (41%) 38% have never contacted a Customer Care Office; 35% are saying the offices are not accessible; 47% not satisfied with the system for processing queries
(l)Promoting LED	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	44% are generally dissatisfied, 16% satisfied; 9% are satisfied with ADMs Assistance in small business opportunities; 15% satisfied with ADMs attractions of local investment; 23% Satisfied with ADMs attractions of Tourism;
(m)Municipal Support	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Never heard of the MSU (49%); Selected targets respondents not directly involved in the functions of MSU. Currently the ADM is conducting the support impact provided to LMS and this will provide the actual support outcomes.

(n)Monthly Accounts and Indigent Subsidy	Distribution of Questionnaires	2011/201 2 Year	Conducted samples in all the 7 LMs	Accounts are generally received timeously, are user friendly and accurate 56% are aware of ADMs indigent subsidy scheme; The indigent Subsidy amount is not enough to cover Services (49%)
(o) Opportunities for consultation on municipal affairs	Distribution of Questionnaires	2011/201 2 Year	Conducted samples in all the 7 LMs	The Municipality continue to have community and stake holder engagements as part of its operations for the implementation of the IDP
				<i>T 2.11.2.1</i>

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

During the 2012/2013 year the overall ADM performance results reflect an 83% success rate caused by mixed performance results of departments in implementing the SDBIP. The 2012/13 percentage is higher as compared to 2011/2012 and 2010/2011 financial periods.

The comparative analysis depicted in the tables below indicates that the performance results have improved in most KPAs. This increase can be attributed to the fact that departments are required to come up with remedial actions for all the not met targets and the implementation of the remedial actions is closely monitored by the Office of the Municipal Manager, assisted by the PME Unit. It is noted that there was significant improvement in the SDI, LED and MFV clusters while there was slight improvement in the MTI and GGP clusters (+1% and + 6%) respectively

COMPARISON OF ADM's CURRENT PERFORMANCE WITH PREVIOUS 2 FINANCIAL YEAR'S PERFORMANCE YEARS BASED ON SERVICE DELIVERY SCORES WITHOUT CCR's

ANNUAL PERFORMANCE COMPARISON OF ADM OVER 3 YEARS			
	2010/2011	2011/2012	2012/2013
Annual Overall Performance	62%	71%	83%
Key Performance Areas			
Municipal Transformation and Institutional Development	73%	93%	94%
Basic Service Delivery and Infrastructure Development	59%	44%	60%
Local Economic development	62%	63%	88%
Municipal Finance Viability and Management	54%	87%	100%
Good Governance and Public Participation	49%	73%	79%

**DEPARTMENTAL PERFORMANCE RESULTS OVER 3 YEARS BASED ON SERVICE
DELIVERY SCORES WITHOUT CCR's**

Departments	Q1	Q2	Q3	Q4	Annual 12/13	Annual 11/12	Annual 10/11
Strategic Planning	76%	91%	90%	93%	87%	92%	41%
Corporate Services	70%	89%	89%	84%	79%	83%	74%
Health and Protection	100%	94%	100%	100%	94%	88%	90%
Budget & Treasury	83%	89%	89%	100%	89%	79%	83%
Land Human Settlement & Economic Development	89%	81%	81%	88%	85%	50%	64%
Engineering Department	81%	65%	76%	70%	65%	37%	60%
Legislative and Executive Support Services	-	-	100%	100%	100%	-	-

The implementation of the electronic performance system, ePerform, has assisted the municipality in ensuring that program inputs, activities and results are evaluated on a system which assures the institution and its stakeholders of the integrity of the performance information.

Although there is an outstanding improvement in the organizational performance during 2012/13, the municipality could have done more, especially in the crafting of key performance indicators as well as timeous collation of portfolio of evidence. However, the management of the institution is confident that the target for a clean audit on performance information by 2014 is well on track. The institution will continue improving on its performance management system, particularly, in the application of the SMART principle.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The legacy of poor access to services in the former homelands, has resulted in massive water and sanitation backlogs for the Amathole District Municipality. Addressing these backlogs is a key priority for the ADM, but the speed of roll out is limited by funding constraints as well as access to bulk water resources.

Reasonable progress with regard to progress in terms of implementation of housing delivery has been achieved to date. It is also worth to note that ADM is in the process of accessing Level 2 Housing Accreditation Status which is envisaged to fast-track the Housing delivery upon approval. Coupled with that, is the development of Housing Risk and Fraud Plan, envisaged to identify all risk factors involved in housing development cycle, as well as to mitigate all bottlenecks resulting in slow pace of delivery.

In respect of Settlement Planning and Land Development, ADM had developed 11 Zone Plans in various local municipalities. These are aimed at providing a framework of settlement models to guide development options as well as providing local level planning for settlements and livelihood development in communal villages.

T 3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Amathole District Municipality (ADM) became a Water Services Authority in 2003 and through a subsequent Section 78 process, became the Water Service Provider for the Amathole District in July 2006. Approximately 27% of water consumed in the District is purchased from the Amatola Water Board, while the balance is supplied from twenty eight (28) ADM owned Water Treatment Works and over eighty (80) borehole schemes. Water is supplied through metered yard connections in the towns and through communal standpipes in rural areas and informal settlements. The ADM failed to achieve Blue Drop status for any of its water treatment works, but obtained an overall average score 74.62. It should be noted that the ADM operates more treatment works than any other municipality in the country and the remoteness of many of these treatment facilities makes management difficult and expensive.

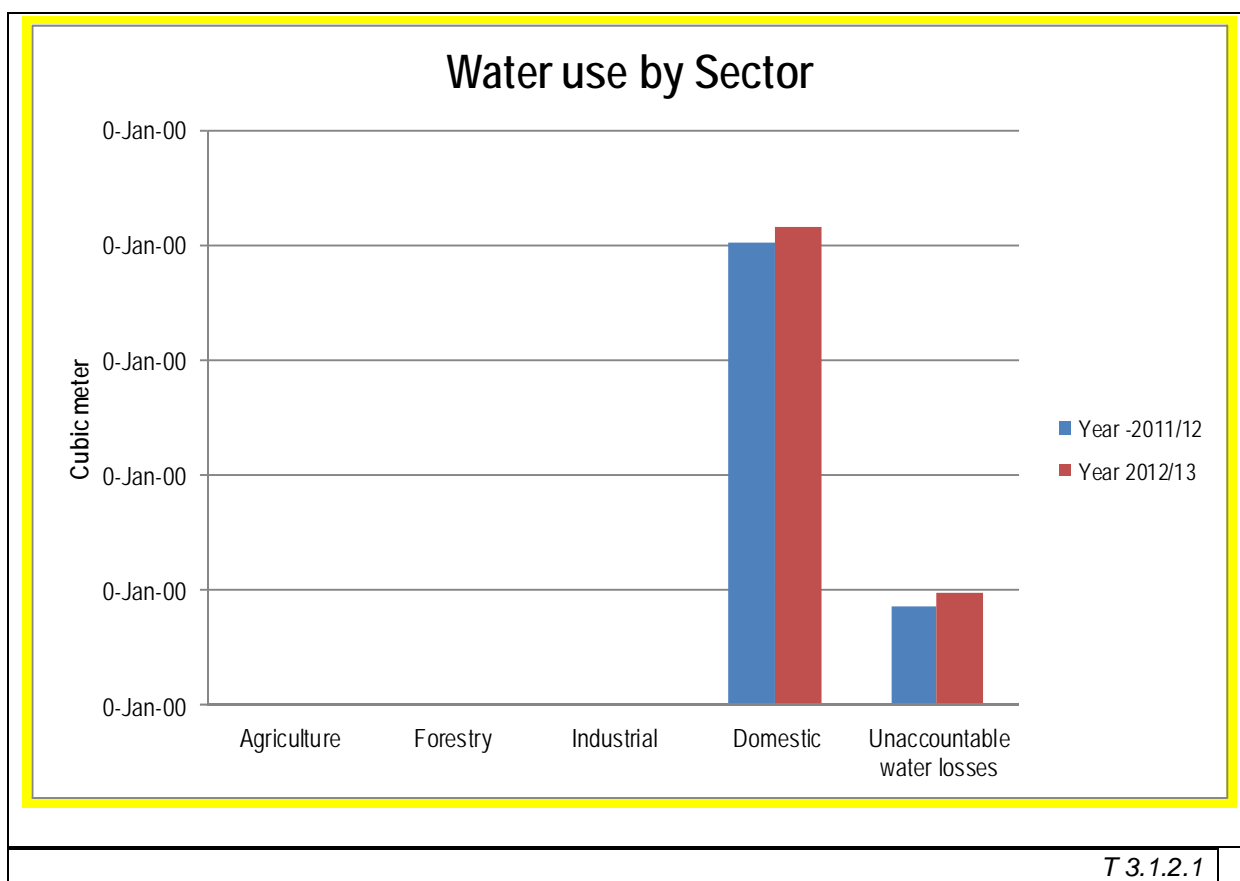
Major initiatives during the 2012/2013 financial year included pipe replacement studies for three towns, as well as refurbishment plans for a number of dams and a water supply canal. where the pipe infrastructure has reached its useful life. The retro-fit programme (repairing water leaks in poor

households) for a number of towns was also finalised and implementation began towards the end of the financial year.

One of the ADM's objectives when rendering water services, is to provide a reliable and affordable supply of potable water to the communities, ensuring that the supply is within a 200m distance. These projects improve the living standards of the people in the area and contribute towards reduction of the prevalence of water borne diseases and create employment opportunities.

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year - 2011/12	0	0	0	20131954	4293655
Year 2012/13	0	0	0	20824934	4893928
<i>T 3.1.2</i>					



COMMENT ON WATER USE BY SECTOR:

Unaccountable water losses are determined by measuring the outflow from water treatment facilities, subtracting what has been billed and subtracting an estimate of “free basic supply” (assumed to be 25l/p/d). In reality, many consumers in areas where only a free basic supply is being provided have connected illegally to the water supply system and use far greater quantities of water than the allocated “free basic supply”. As these illegal connections are not metered, the water is thus represented as a loss, even though it may have been consumed. The ADM is currently investigating ways of addressing the high number of illegal connections.

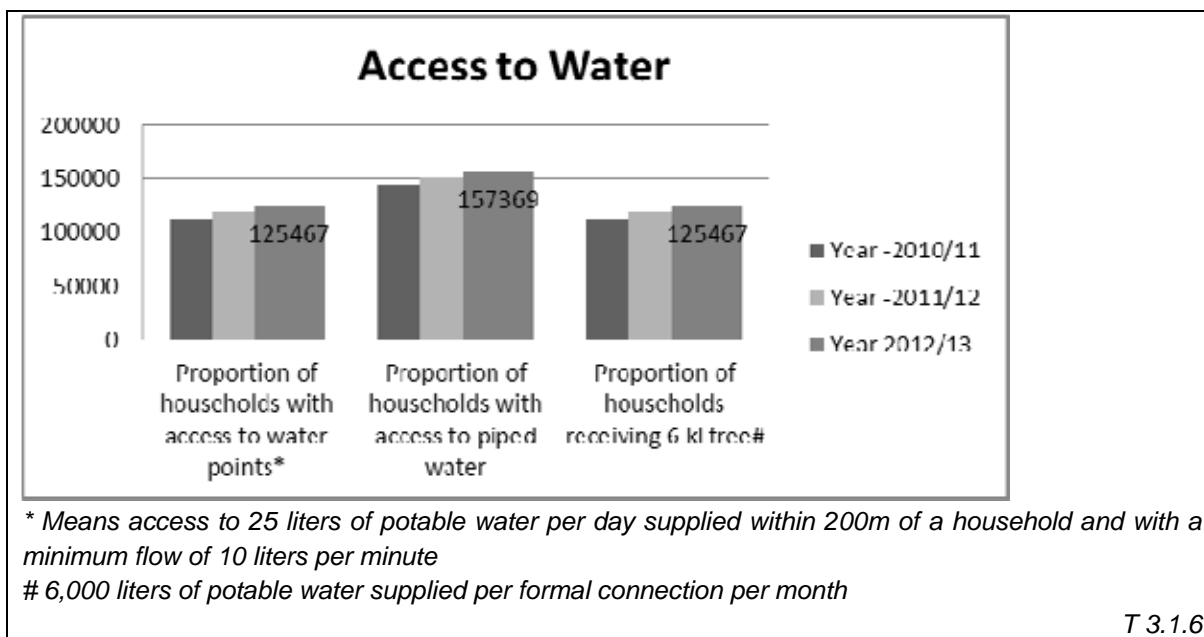
T 3.1.2.2

Water Service Delivery Levels				
Description	Year 09/10	Year 10/11	Year 11/12	Year 12/13
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	31902	31902	31902	31902
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling)	103496	111990	118718	125467
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	135398	143892	150620	157369
<i>Minimum Service Level and Above Percentage</i>	56.52%	60.00%	62.76%	65.57%
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	104162	96108	89380	
No water supply				82631
<i>Below Minimum Service Level sub-total</i>	104162	96108	89380	82631
<i>Below Minimum Service Level Percentage</i>	43.48%	40.00%	37.24%	34.43%
Total number of households*	239560	240000	240000	240000
* - To include informal settlements				T 3.1.3

Households - Water Service Delivery Levels below the minimum						
						Households
Description	Year - 2009/10	Year - 2010/11	Year - 2011/12	Year 2012/13		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	233 816	234 254	234 254	234 254		234 254
Households below minimum service level	104 162	96 108	89 380	82 631		82 631
Proportion of households below minimum service level	243.48%	40.00%	37.24%	34.43%	%	34.43%
Informal Settlements						
Total households	5 746	5 746	5 746	5 746		5 746
Households ts below minimum service level	5 746	5 746	5 756	5 756		5 756
Proportion of households ts below minimum service level	100%	100%	100%	100%	%	100%

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -2010/11	111990	143892	111990
Year -2011/12	118718	150620	118718
Year 2012/13	125467	157369	125467
T 3.1.5			

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute



Employees: Water Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	13	8	0	0%
4 - 6	33	47	34	13	28%
7 - 9	67	83	67	66	80%
10 - 12	232	300	6	1	0%
13 - 15	404	532	404	128	24%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	744	974	519	208	21%
T3.1.7					

Financial Performance Year 0: Water Services					
R'000					
Details	Year - 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	127 591	262212	262 212	186 068	-29.04 %
Expenditure:					
Employees	98 504	122063	121 941	122 361	0.24 %
Repairs and Maintenance	11 720	17 823	14839	11 325	-36.46 %
Other	277 566	327867	305 807	337 664	2.99 %
Total Operational Expenditure	387 790	467 753	442 587	471 350	0.77 %
Net Operational Expenditure	260 199	-205 541	-180 375	-285 282	38.80 %
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.1.8					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The water backlog as at 2011/12 stood at 89,380 households for the whole of Amathole District Municipality, and the Municipality manages to connect 6 749 households with water this financial year. Out of Municipal Infrastructure Grant funding of R389M, the amount spent on water projects is about R240million.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The Amathole District Municipality (ADM) became a Water Services Authority in 2003 and through a subsequent Section 78 process, became the Water Services Provider (including sanitation) for the Amathole District in July 2006. The ADM provides sanitation services via water borne sanitation connected to fifteen waste water treatment works, emptying of conservancy tanks with honey suckers and Ventilated Improved Pit Latrines. The ADM has so far failed to achieve Green Drop status for any of its waste water treatment works.

Amathole District Municipality intends to eradicate sanitation backlogs in its area of jurisdiction as a Water Services Authority, with funding from Municipal Infrastructure Grant (MIG) and other available source of funding. This will be achieved through the supply and installation of VIP movable or re-locatable toilets. One of the challenges that the ADM is faced with is the bucket system that is used on the ervens located outside the official erf boundaries (Informal houses), and this has been elevated to the affected Local Municipalities to ensure that Services are not rendered at areas that might be evacuate at any given time..

T 3.2.1

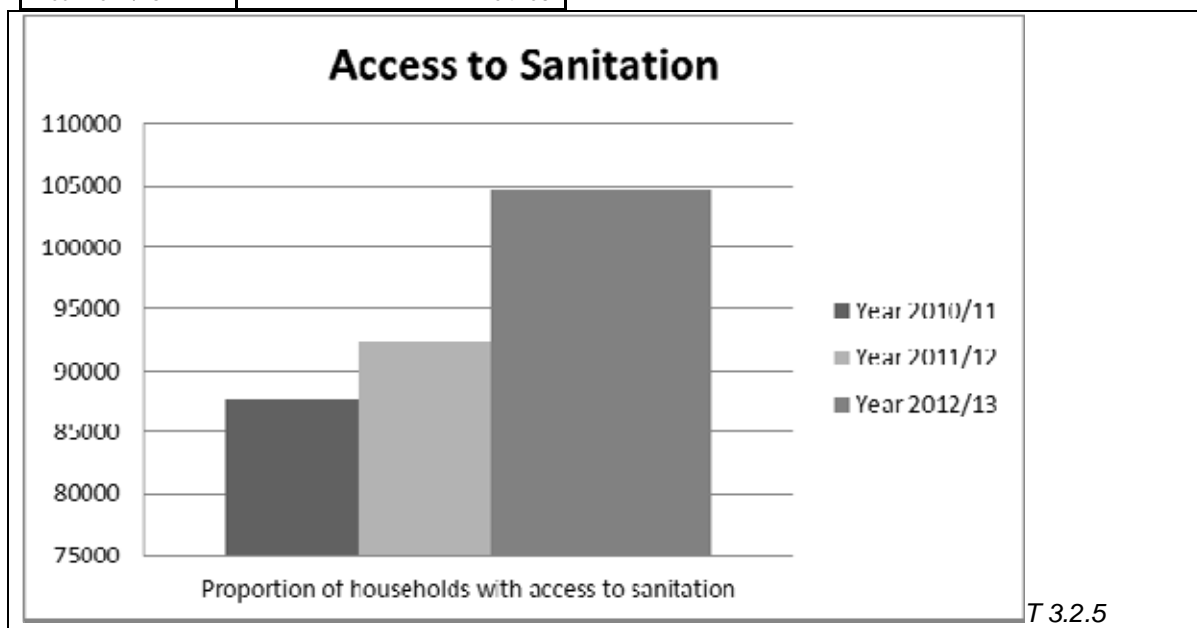
Sanitation Service Delivery Levels

*Households						
Description	Year 2009/10	Year 2010/11	Year 2011/12	Year 2012/13		
	Outcome No.	Outcome No.	Outcome No.	Actual No.		
<u>Sanitation/sewerage: (above minimum level)</u>						
Flush toilet (connected to sewerage)	942	600	22637	23882		
	Included above	Included above	Included above	Included above		
Flush toilet (with septic tank)	N/A	N/A	N/A	N/A		
Chemical toilet	63229	64956	69763	80826		
Pit toilet (ventilated)	0	0	0			
Other toilet provisions (above min.service level)						
<i>Minimum Service Level and Above sub-total</i>	85866	87593	92400	104708		
<i>Minimum Service Level and Above Percentage</i>	35.84%	36.50%	38.50%	43.63%		
<u>Sanitation/sewerage: (below minimum level)</u>						
Bucket toilet	1088	1088	1088	**624		
Other toilet provisions (below min.service level)	0	0	0	0		
No toilet provisions	153694	151319	146512	134668		
<i>Below Minimum Service Level sub-total</i>	1,047	152407	147600	135292		
<i>Below Minimum Service Level Percentage</i>	64.16%	63.50%	61.50%	56.37%		
Total households	239560	240000	240000	240 000		
<i>*Total number of households including informal settlements</i> T 3.2.3						
Households - Sanitation Service Delivery Levels below the minimum						
Households						
Description	Year 2009/10	Year 2010/11	Year 2011/12	Year 2012/3		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	233814	234254	234254	234254		234254
Households below minimum service level	153694	152407	147600	135292		135292
Proportion of households below minimum service level	64.16%	63.50%	61.50%	56.37%	%	56.37%
Informal Settlements						
Total households	5746	5746	5746	5746		5746
Households ts below minimum service level	5746	5746	5746	5746		5746
Proportion of households ts below minimum service level	100%	100%	100%	100%	%	100%
T 3.2.4						

Access To Sanitation

Access to Sanitation

	Proportion of households with access to sanitation
Year 2010/11	87593
Year 2011/12	92400
Year 2012/13	104708



Employees: Sanitation Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	6	6	0	0%
10 - 12	7	7	7	0	0%
13 - 15	9	9	9	0	0%
16 - 18	11	11	11	0	0%
19 - 20	18	18	18	0	0%
Total	55	55	55	0	0%

T 3.2.7

Financial Performance Year 0: Sanitation Services				R'000
Details	Year 2011/12	Year 2012/13		

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	98,269	23 085	26 455	26 475	14.68 %
Expenditure:					
Employees	20,616	26 456	23 085	26 475	0.07 %
Repairs and Maintenance	528	3 692	6 909	4 515	22.29 %
Other	77,125	38 806	55 991	72 386	86.53 %
Total Operational Expenditure	98,269	68 954	85 985	103 376	49.92 %
Net Operational Expenditure	-	-45 869	-59 530	-76 901	67.65 %
					<i>T 3.2.8</i>

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

In order to meet the target of providing adequate sanitation to all households in its area of jurisdiction, ADM is embarking on the Accelerated Sanitation Programme (ASAP) for the roll-out of rural sanitation for each Local Municipality. The problem with regard to sanitation services in the municipality has to do with the large volume of sanitation backlog and the funding gap in overcoming the backlog.

The sanitation backlog as at 2011/12 stood at 147,600 households for the whole of Amathole District Municipality, and the Municipality manages to eradicate backlog by installing VIP toilets to 11 063 households and also 1245 buckets were eradicated. Out of Municipal Infrastructure Grant funding of R389M, the amount spent on sanitation projects is about R130million, whereas it is estimated that R294million is required annually to eradicate the backlog in 3 years.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Amathole District Municipality does not perform this function. Electricity is performed at a local level in partnership with ESKOM.

T 3.3.1

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The Municipal Structures Act (117 of 1998), Section 84 of the Municipal Structures Act, deals with the division of powers and functions between district and local municipalities in relation to solid waste management. The district is responsible for Solid Waste disposal sites, in so far as it relates to-

- The determination of waste disposal strategy for the district as whole,
- Regulation of waste disposal strategy for the district as a whole, and
- Establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.

In relation to the local municipality:

- The determination of a waste disposal strategy for the local municipality only;
- The regulation of local waste disposal site for the municipality only;
- The collection and removal of waste, disposal site, bulk transfer facility and district disposal site
- The establishment, operation and control of waste disposal facilities for the local municipality only

Operations on Eastern Regional Solid Waste Site in Ibika, Butterworth commenced on the 23 April 2012 and are currently continuing in an efficient manner. The site is also provided with a recycling wing that is fully resourced and operating. ADM is also in the process of constructing two transfer stations in both Mbhashe and Mquma Local Municipalities. One transfer station in Mbhashe in Idutywa has already been handed over to the Contractor for construction. Once this transfer station is completed, benefits will be immense as transport costs for the local municipality will be reduced consequently less expensive to provide the waste service. For the second site in Willowvale, land invasion related delays continue to frustrate the progress.

ADM had the following impact in these three service delivery priorities:

- ADM continues to create a platform where sharing and learning is promoted through the Solid Waste Stakeholder Forum.
- The site for the Transfer Station in Idutywa has been handed over to the Contractor for construction.
- ADM continues to prioritize initiatives for waste avoidance, reduction and recycling, i.e. Operationalisation of the Eastern Regional Waste Site as well as Review of the Feasibility Study of the Western Regional Solid Waste Site.

Major challenges in waste management services and remedial actions:

Solid Waste services have, for a long time, not been prioritized at the same level as other services like water and sanitation. This has been a major concern as projects emerging from the Integrated Waste Management Plan (IWMP) (even though valid projects) were not budgeted for. This problem is linked to the failure by most local municipalities in developing and implementing indigent registers for solid waste. This challenge has consequently prevented the municipality from fully identifying and responding to communities living in poverty and deficient in this basic service.

T 3.4.1

Employees: Solid Waste Management Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0%
T3.4.5					

Employees: Waste Disposal and Other Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	3	3	3	0	0%
T3.4.6					

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

It is a requirement of National Government under the NEMA Waste Act that a district municipality complies with an Integrated Waste Management Plan (IWMP) to form part of the municipal Integrated Development Plan (IDP).

The ADM IWMP has identified the following five targets as set out in its IDP:

<Construction of a Transfer Station in Mbashe. The transfer station will assist in ensuring that waste gets transferred from municipal collection vehicles to bulk haul vehicles for transportation to the Eastern Regional Solid Waste site.

>Review Feasibility Study for the Western Regional Solid Waste Site. The main purpose of this project is to conduct a review of the feasibility study, to identify the need for the regionalization of solid waste service in the Western Region.

< Complete a study in identifying markets for recyclables in the ADM area of jurisdiction. This study will culminate in identifying an area as well as a market that will ensure that recyclers get more out of their recyclables due to savings in transport costs.

<Harvesting of landfill gas. This projects is in line with one of the developmental policies of National Government, i.e. Environmental and Energy Sustainability.

>Design and development of solid waste collection points in certain settlements with access challenges. This project is currently not funded for construction as the municipality is currently busy identifying affected areas.

ADM is also completing the Feasibility into the provision of Transfer Stations in Keiskamahoek nine villages of Gxulu, Gwiligwili, Lower and Upper Mnyameni, Mthwaku, Ndlovini, Ngobozana and Upper Ngumeya who successfully lodged a claim for the restitution of land rights. This project will ensure that the solid waste service is extended to the rural parts of the district as required by legislation.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The strategic role of ADM with regard to Housing Development is to Support, Guide, Co-ordinate and advocate on behalf of the local municipalities within its jurisdiction. Furthermore, ADM may undertake direct implementation in communities where the need exist and with specific view that capacity is built at local municipal level to perform the function in the near future. Its is also worth to note that ADM is in the process of accessing Level 2 Housing Accreditation Status which is envisaged to fastrack the Housing delivery upon approval.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHS in formal settlements
Year 2009/10			
Year 2010/11	471526	258013	54.7%
Year 2011/12	471526	258013	54.7%
Year 2012/13	471526	258013	54.7%

T 3.5.2

Employees: Housing Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	3	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	5	4	4	0	0%
T 3.5.4					

Financial Performance Year 2012/13: Housing Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4,843	1 509	1 509	12 667	739.43 %
Expenditure:					
Employees	5,467	9 538	8 236	7 381	-22.61 %
Repairs and Maintenance	–	100	100	17	-83 %
Other	25,788	5 337	32 318	41 727	681.84 %
Total Operational Expenditure	31,255	14 975	40 654	49 125	228.05 %
Net Operational Expenditure	(26,412)	-13 466	-39 145	-36 458	170.74 %
T 3.5.5					

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

No projects have been approved by the Provincial Government in the last year of Reporting. As such no new allocations were made.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic Services

Free basic services are currently supplied in the form of a communal tap stand within 200 meters walking distance from each household and VIP latrines for sanitation purposes. The ADM, however, recognises that most communities aspire to a higher level of service and in this regard, the ADM is currently investigating methods of improving service level standards in a financial and technically sustainable manner. Limited water resources mean that the level of service cannot be improved infinitely, but it is believed that through careful management, higher levels of service can be attained.

Free basic sanitation consists of the construction of VIP latrines. These are being installed as quickly as funding will allow

Indigent

ADM is doing indigent registration to all the seven (7) local municipalities that it is servicing. 2, 479 indigents have been registered during the period under review. The number is increasing due to the improved communication which is undertaken by the Field Verification Officers. The registration is taking place in two folds i.e. visiting the consumers in their residential areas and others are walk – in consumers to the satellite offices. When conducting the awareness campaigns and registrations, relevant stakeholders (SASSA to confirm the pension grant and SAPS for affidavits) are also invited. The subsidy is only granted to those households whose gross income does not exceed two times the Government social grant (pension) as prescribed. Free first 6kl is granted and any excess is billed according to the normal tariff fee applicable. All applications received are analysed for correctness before submission for approval. The grant is valid for a maximum period of twelve (12) months. When the indigent consumer level of income improves, the grant is cancelled. The Indigent policy is reviewed on an annual basis and the indigent register is maintained and monitored on a monthly basis.

T 3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year 2010/11	240 000	240 000	111 990	46.66	64 956	26.14	N/A	N/A	N/A	N/A
Year 2011/12	240 000	240 000	118 718	49.46	69 763	29.07	N/A	N/A	N/A	N/A
Year 2012/13	240 000	240 000	125 467	52%	80 826	33.7%	N/A	%	N/A	%

T 3.6.3

Financial Performance Year 2012/13: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 2011/12	Year 2012/13			
	Actual R	Budget R	Adjustment Budget R	Actual R	Variance to Budget
Water and Sanitation (Indigent Support)	3 457 806	3 995 248	4 283 689	3 135 891	27%
Waste Water (Sanitation)					%
Waste Management (Solid Waste)					%
Total	3 457 806	3 995 248	4 283 689	3 135 891	27%
					<i>T 3.6.4</i>

Over 80% of ADM is considered indigent and therefore eligible for free basic services. Free basic water services are provided through means of a communal stand pipe within 200 meters walking distance from households. This service is found mainly, but not limited to rural areas, while indigent consumers living in towns receive a free allocation of 6kl of water per month via a normal house connection.

Since not all consumers receiving the municipal services are able to pay for such services rendered, the municipality has adopted a policy which caters for an Indigent subsidy.

The Indigent subsidy is to assist households receiving municipal services but due to their level of income are unable to pay.

Application must be made for the indigent subsidy by the consumers. In order to qualify, a household must earn less than an amount equal to two state pensions per month. Indigent status is valid for 24 months. Once granted, the consumer then receives the first 6kl of water consumed per month free of charge.

The municipality continuously hosts campaigns throughout the district to create awareness on the process of indigent registration and to encourage registration.

COMMENT ON INDIGENT SUPPORT:

ADM is doing indigent registration to all the seven (7) local municipalities that it is servicing. 2, 479 indigents have been registered during the period under review. The number is increasing due to the the improved communication which is undertaken by the Field Verification Officers. The registration is taking place in two folds i.e. visiting the consumers in their residential areas and others are walk – in consumers to the satellite offices

When conducting the awareness campaigns and registrations, relevant stakeholders (SASSA to confirm the pension grant and SAPS for affidavits) are also invited. The subsidy is only granted to those households whose gross income does not exceed two times the Government social grant (pension) as prescribed. Free first 6kl is granted and any excess is billed according to the normal tariff fee applicable. All applications received are analysed for correctness before submission for approval. The grant is valid for a maximum period of twelve (12) months. When the indigent consumer level of income improves, the grant is cancelled. The Indigent policy is reviewed on an annual basis and the indigent register is maintained and monitored on a monthly basis.

T 3.6.

COMPONENT B: ROAD TRANSPORT

This component includes: roads and transport.

INTRODUCTION TO ROAD TRANSPORT

ADM does not have Roads Function. The function of roads in ADM is split between Local Municipalities and the Provincial Department of Roads and Public Works, in that Local Municipalities are responsible for Municipal Roads and the Provincial Department of Roads and Public Works responsible for provincial roads. It must be noted though that only on completion of the Road Asset Management System (RAMS) will the role of ADM as a district be amplified or revised if need be.

ADM, through its Municipal Support Unit (MSU), is providing support to its local municipalities in areas where they need assistance. The municipalities construct new access roads each financial year through their MIG funding for their communities, but this service can be construed as a waste of resources because these roads deteriorate after sometime due to lack of maintenance. In order for the access roads to remain sustainable they ought to be maintained periodically, failure to do so will result in roads gradually deteriorating until they have completely vanished.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

The National Department of Transport has initiated a priority program that will see the Amathole District Municipality rolling out the Road Asset Management System (RAMS) throughout the district utilising the Rural Transport Services and Infrastructure Grant. Even though the ADM is not a roads authority, it was chosen by the National Department of Transport because of its status as a Water Services Authority as well as its good track record. A consultant has been appointed to carry out the road asset inventory throughout the District and process would carry on until the 2013/14 financial year. On completion of the RAMS systems, the national Department of Transport will through National Treasury fund rehabilitation, upgrading and construction of rural roads. The role of districts during the implementation phase is still being assessed.

T 3.7.1

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

The National Land Transport Act 5 of 2009 assigns planning responsibilities for land transport to municipalities. This is to be executed in conjunction with other spheres of government.

In terms of the powers and functions devolved by the Local Government Municipal Structures Act, 117 of 1998, Amathole District Municipality (ADM) is responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. In addition, ADM is responsible for regulation of the passenger transport services in all areas within the district. Section 84 of the Municipal Structures Act (Act 117 of 1998) deals with the division of powers and functions between District and Local municipalities:

With regard to Municipal Public Transport the district has to perform the following functions.

- Must exercise any power concerning the regulation of passenger transport services for the district as a whole.
- Develop a transport strategy and plan for the district
- Determine a service delivery mechanism for the performance of the function
- Develop or maintain the capacity to perform the function
- Make and administer bylaws in terms of section 156(2) of the Constitution
- Build capacity of the local municipalities where capacity is lacking in order to perform all the functions excluding regulatory function

T 3.8.1

Employees: Transport Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	2	1	1	50%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	2	3	2	1	33%
T3.8.4					

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

ADM has in the past financial year completed the following projects:

- Keiskammahoek Public Transport Facility.
- Butterworth Interchange.

ADM is currently in the process of providing shelters/canopies to the recently completed Butterworth Interchange. ADM will also be completing both the Willowvalle and Idutywa Public Transport Facilities this current financial year.

The ADM ITP has identified the following five targets as set out in its IDP

- Provision of transport Infrastructure to improve pedestrian safety and public transport operations. This project is currently not funded but will always be motivated for funding.
- The institution has successfully reviewed its Integrated Transport Plan (Minor review 2012/13 Financial Year).

-
- ADM continues to engage on integrated planning through liaising with the Provincial Department of Transport.
 - Development of Road Assessment Management System (RAMS). The objective of the grant is to ensure effective and efficient investment on rural roads through development of Road Asset Management System (RAMS) throughout the districts through the following methodology:
 - Collection of Road Inventory data including condition assessment and traffic data.
 - Setting up pavement and bridge management system compatible with national standards.
 - Feasibility Study into the Management of Public Transport Facilities. This study will assist in shedding light on what needs to be put in place so as to ensure efficient management and operation of public transport facilities.

Transport has for a long time not been recognized at the same level as other services. This has been a major concern as projects emerging from the Integrated Transport Plan (ITP), even though valid projects were not funded.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The District Municipality does not perform this function. Stormwater drainage is performed at local level.

T 3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Land Use function is a Local Municipal function in terms of the devolution of powers and functions. However, a data collected from the LM is as detailed hereunder, in a different format.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

It should be noted that, depending on the legislation used for an application, a Local Municipality may, under the current spatial planning legislation, either have full responsibility to process and adjudicate an application or would only be required to render comment and provide a recommendation to a Provincial-level decision-making body.

A total of 41 land development applications were made in the seven LMs in the period 2011 to 2012. Of these, 16 were brought in terms of the now-defunct DFA, 11 were brought in terms of the Townships Ordinance 33 of 1934, 4 were brought in terms of the [Ciskei] Land Use Regulation Act, 4 were brought in terms of the Less Formal Townships Establishment Act, and only 7 were brought in terms of the Land Use Planning Ordinance. This means that of the total of 41 applications known to have been dealt with, only 7 had to be completely processed and approved by the LM (3 by the Amahlathi LM and 4 by the Nxuba LM).

The remaining applications required the relevant Local Municipality to provide comment and a recommendation to an external approving authority, which provided supportive administrative and application-processing services.

T 3.10.1

LAND USE APPLICATION	AMAHLA THI	GREAT KEI	MBASHE	MNQUMA	NGQUSHWA	NKONKOBÉ	NXUBA
Appeal		1					
Departure		1					
Removal of Restrictions							
Rezoning	1	1	5	1	3		2
Special Consent							1
Sub-division	1	1	1			1	
Sub-division & rezoning	4	3	2	2		1	1
Township	1		6			1	

Employees: Planning Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	4	3	1	25%
4 - 6	6	6	6	0	0%
7 - 9	12	12	12	0	0%
10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	21	21	21	0	0%
T 3.10.4					

Financial Performance Year 2012/13: Planning Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2	259	259	1	-99.61%
Expenditure:					
Employees	6 715	7452	8316	8 337	11.88%
Repairs and Maintenance	-	150	41	41	-72.67%
Other	1 603	9 287	5 824	5 055	45.57 %
Total Operational Expenditure	8 318	16 889	14 181	13 433	20.46 %
Net Operational Expenditure	8 316	-16 630	-13 922	-13 432	19.23 %
T 3.10.5					

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

As a follow up to the investor conference which ADM held in the previous year, an ADM team visited Belgium as part of the Nelson Mandela exhibition. The result of this visit was a training of ADM Cooperatives and SMMEs for Export readiness by the Belgians which benefitted 10 co-ops that are assisted by Aspire.

A corporative Development Centre an initiative of the National and Provincial government was approved by ADM council. A fashion show that was held on the 28 and 29 November in Mngquma last year whose purpose was to improve quality of goods produces by designers resulted in Four Fashion Designers to be nominated by the Department of trade and industry to attend a training course in China that will take sixty (60) days.

Amathole District Municipality and ELIDZ have formed partnership on targeted SMME Development Programme SMME. Thirty five (35) Contractors from Amathole District Municipality were selected to be the beneficiaries of this Contractor Incubator Development Programme and it will be kick started by a training programme as to develop skills of the selected contractors. Each contactor will also get mentoring throughout the programme.

ADM has embarked on a Tourism Economic Impact Survey that sought to determine the extent to which the Tourism Sector contributes to the ADM economy. Coupled with the objectives was a thorough emphasis on the job creation and level of community involvement in the main-stream tourism economy. This will not only serve as a basis against which the ADM can better plan for its tourism development, but it is also indicative of which tourism sub-sectors should take prioritization in the district

The impact indicators for AREDS are aligned to the Millenium Development Goals of halving poverty and unemployment by 2014. These goals are similar to those of the provincial and national government. To achieve this AREDS proposes four key interventions which are the following, high impact investments, human capital development, improved governance and improved stakeholder co-ordination. In line with these proposed interventions the ADM and its development agency Aspire have developed and implemented strategies to implement economic development programmes. One of these programmes that is implemented by the development agency Aspire is the revitalization of the small towns in the region. Through this programme , critical infrastructure has been developed in small towns Butterworth, Stutterheim and Hamburg, with further work to be done in areas like Alice and Idutywa. This infrastructure has made these small towns to be more function and attactive for investment which has an end result of creating jobs.

T 3.11.1

Economic Activity by Sector			
			R '000
Sector	Year 2010/11	Year 2011/12	Year 2012/13
Agric, forestry and fishing	345	343	350
Mining and quarrying	18	18	19
Manufacturing	1663	1690	1705
Wholesale and retail trade	72	72	70
Finance, property, etc.	256	257	260
Govt, community and social services	1 599	1 656	1 718
Infrastructure services	431	445	457
Total	3414	3551	3389
<i>T 3.11.2</i>			
Economic Employment by Sector			

Sector	Jobs		
	Year 2010/11 No.	Year 2011/12 No.	Year 2012/13 No.
Agric, forestry and fishing	6 707	6 340	6 830
Mining and quarrying	106	116	113
Manufacturing	9 191	8 979	8 360
Wholesale and retail trade	186	179	186
Finance, property, etc.	4 375	3 840	3 676
Govt, community and social services	16 660	16 531	16 276
Infrastructure services	3 764	3 731	3 845
Total	3 557	3 527	3 333
<i>T 3.11.3</i>			

COMMENT ON LOCAL JOB OPPORTUNITIES:

Local Economic Development/Tourism is labour intensive and is characterised by its mass employment ranging from temporary to permanent. Although seasonal in nature, Tourism remains one of the major mass employer in the district.

The EPWP program was accelerated and created more than 2350 job opportunities over a period of 6 months. In addition to this about 140 graduate interns were employed by the municipalities over a period of 2years contributing tremendously to the reduction of unemployed graduates within our district.

T 3.11.4

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year 2010/11	21	800
Year 2011/12	30	1200
Year 2012/13	80	2250
* - <i>Extended Public Works Programme</i>	<i>T 3.11.6</i>	

Employees: Local Economic Development Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	7	7	0	0%
4 - 6	5	6	5	1	17%
7 - 9	11	11	11	0	0%
10 - 12	9	9	9	0	0%
13 - 15	1	1	1	0	0%
16 - 18					
19 - 20					
Total	33	34	33	1	3%
T 3.11.8					

Financial Performance Year 2012/13: Local Economic Development Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2	75 606	98 606	42 924	-43.23 %
Expenditure:					
Employees	8 508	12 223	13 013	12 829	4.96 %
Repairs and Maintenance	-	55	55	15	-72.73 %
Other	14 074	33 686	31 138	62 201	84.65 %
Total Operational Expenditure	22 583	45 964	44 206	75 045	63.27 %
Net Operational Expenditure	(22 581)	29 642	54 400	-32 121	%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services in the Amathole District Municipality comprises the following:

- Municipal Health Services
- Water Quality Monitoring
- Environmental Pollution Control
- Food Control
- Fire Services in 4 Local Municipalities [as assigned by the MEC]

Disaster Management Community Safety

COMPONENT E: ENVIRONMENTAL PROTECTION

3.16 BIO-DIVERSITY AND LANDSCAPE

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

ADM implemented three major service delivery projects namely:

- * Blue Flag Programme through which ADM is refurbishing the Hamburg Ablution Facilities as one of the programmes to attain a Blue Flag Status for the beach. The beach have attained a Pilot Blue Flag status and this greatly impact on economic development of the district through tourism.
- * Amathole Mountain Biosphere Programme which will mark the district as a destination for sustainable development.
- * ADM has also developed the Air Quality Management Plan which have assisted the district to identify the level of air quality so as to ascertain whether the air is not harmful to the citizens of the district. Furthermore, the plan provides a baseline to which will determine the kind of industries that the district can house for development. Eight people will be trained as Life Guards under the Blue Flag Programme thus providing employment opportunities to the communities. The Air Quality Management Plan recommended that an Ambient Air Quality Assessment be done for the district. The assessment will be done in the current financial year and two five months long employment opportunity.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Through the EPWP Programme, ADM has created job opportunities for community members in the Mbashe Local Municipality. About 180 people are employed in the Pelargonium, Idutywa Town Cleaning and Cholakonke Projects.

T 3.16.2

COMPONENT F: HEALTH

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS

In terms of the National Health Act, 2003 (Act No. 61 of 2003), ADM is entrusted with the following functions:

- Water Quality Monitoring;
- Food Control;
- Waste Management
- Health Surveillance Of Premises;
- Surveillance And Prevention Of Communicable Diseases, Excluding Immunization;

-
- Vector Control;
 - Environmental Pollution Control;
 - Disposal of the Dead.
 - Chemical Safety

This is one of the core functions of the Amathole District Municipality (ADM) in terms of Section 32 of the Act. At present the function is awaiting the finalization of the process of transferring the resources that are utilised by the Provincial Department of Health for the delivery of this service within the area of jurisdiction of Amathole District Municipality.

In the last financial year ADM has been focusing on Water Quality Monitoring, Food Control, Disposal of the Dead and Environmental Pollution Control as its major priority areas. A Municipal Health Information Management System has been developed to assist management in monitoring the level of the services rendered by the officials to the communities. A policy on the disposal of the dead has been developed and adopted by Council which entails the inspection of funeral undertaker's premises and the assistance of the destitute families with pauper burials

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

Food Control

The Food Quality Monitoring Programme is ongoing and it encompasses inspection of food handling premises, sampling and analysis, and capacitation of food handlers, in order to ensure that food sold to the public is fit for human consumption and complies with relevant legislation.

- 657 Food handlers were capacitated.
- Food products that were found to be unfit for human consumption were condemned and disposed of in a safe manner in terms of R 1128. Food handling premises were inspected in terms of R962. A total of 1722 inspections were conducted.
- 13 Food samples of locally manufactured products were taken for analysis.
- 215 Milk samples were taken and the results show a gradual improvement in terms of compliance with legislation.
- An Informal Food Trading policy was developed and adopted by Council.

Disposal of the Dead

The number of Funeral Parlours on the database has increased from 89 to 97 are on the database, with 56 operating as funeral parlours and 41 as displaying only.

Inspections are carried monthly and more frequently where applicable, to ensure that premises comply with the requirements.

- A reviewed Disposal of the Dead Policy was adopted by Council.
- 11 applications for the burial of paupers were received and buried
- 8 Exhumations were conducted.
- 7 Capacitation sessions for the Funeral Undertakers in the form of an Imbizo were undertaken.
- Workshops in relation to the disposal of the dead were conducted in various municipalities in order to ensure undertakers are in compliance with Regulation R363 under the National Health Act.

Water Quality Monitoring

A total of 1940 drinking water samples were taken from fixed drinking water sources for testing, of which 1752 complied and 188 did not comply. The main cause for the non-compliance was due to low levels of chlorination as a result of inadequate disinfection. A total of 63 turbidity failures were reported. The failures were due to reservoirs being dirty.

A total of 227 waste water samples were taken for analysis, of which 28 samples complied with the General Authorisation Standards. The main challenge with waste water in the district is waste-water treatment works that are operating above their design capacity, the turn-around time for repairs and ineffective operational monitoring. A total of 39 samples were taken from rivers upstream and downstream to measure the level of pollution on the water sources as a result of effluent discharge.

The results of the analysis from both programmes are captured on a national internet based water quality management system [e-WQMS] and also directly loaded onto the Blue Drop System via the Laboratory Information Management System (LIMS). The level of compliance has improved since the programme started although water produced is still within Class 2.

Waste Management

- 8 legal and illegal waste dumping sites were visited for assessment.
- 3 Officials were trained in theory and practical waste management.
- 16 Ant- Litter campaigns were conducted.
- Major review of Health Care Waste Management Plan was done externally.

Vector Control

The vector control programme deals with the control of public health interest against pests, including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. Three MHS satellite offices were fumigated and other ADM satellite offices were inspected. Use of pesticides in eight community garden project (food security) was monitored and the training on proper use of pesticides by workers in the project was conducted to all projects.

Environmental Pollution Control

- An Environmental Pollution Control Plan was developed and adopted by Council in May 2013.
- 16 Pollution Control Awareness Campaigns were conducted.
- An Air Quality Lekgotla was attended by two officials at Rustenburg, North West Province in October 2012.
- 7 pollution related complaints were received and attended to.

Surveillance and Prevention of Communicable Diseases

- 66 Awareness campaigns were conducted.
- The existing Communicable Diseases Prevention and Control Strategy underwent a major review.

T 3.19.2

Employees: Health Inspection and Etc					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%

0 - 3	1	1	1	0	0%
4 - 6	9	9	9	0	0%
7 - 9	18	18	18	0	0%
10 - 12	4	4	4	0	0%
13 - 15	11	13	11	2	15%
16 - 18					
19 - 20					
Total	43	45	43	2	4%
<i>T 3.19.4</i>					

Financial Performance Year 2012/13: Health Inspection and Etc					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6	66 156	66 156	66 295	0.21 %
Expenditure:					
Employees	9 983	17 686	17 851	17 862	1 %
Repairs and Maintenance	17	375	575	262	-30.13 %
Other	6 126	9960	14 122	13856	39.12 %
Total Operational Expenditure	16 126	28 021	32 548	31 980	14.13 %
Net Operational Expenditure	(16 120)	38 135	33 608	34 315	-10.02 %
<i>T 3.19.5</i>					

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The inspection of food premises has only managed to service the areas that are urban. An exercise of identification of rural food premises was undertaken and has finished the identification in Mbhashe and Mnquma Local Municipality areas. The current staff need to be increased as the section is currently operating far below the national standards. The staff increase towards the national standards would assist in the coverage of the rural food premises. Another challenge here is the delay in the conclusion of the devolution of the Environmental Health Officials employed by the Provincial Department of Health.

The water quality monitoring, Disposal of the Dead and the Environmental Pollution Control functions are operating are also being undertaken with the current below the norm human resources.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

ADM Health and Protection Services Department comprises the following three sub units:

- Fire Services as per responsibilities of District Municipalities and Fire Fighting Services assigned by the MEC in 4 of the seven 7 Local Municipalities in the ADM.
- Disaster Management as per the responsibilities of a District Municipality - Disaster Management Act 57 of 2002
- Community Safety Services [Excluding City Police and or VIP Protection Services] operates in terms of the National and Provincial Crime Prevention Strategies

T 3.20

3.20 COMMUNITY SAFETY

INTRODUCTION TO COMMUNITY SAFETY

Community Safety operates in terms of the Constitution, the National Crime Prevention Strategy and the Provincial Crime Prevention Strategy. The Constitution of the Republic of South Africa as amended relates to the promotion of a safe and healthy environment. The Provincial Crime Prevention Strategy relates to multi-agency collaboration on crime prevention matters (particularly between government departments).

In light of the above, Amathole District Municipality facilitates the following:

- The establishment and facilitation of Community Safety Forums in each local municipality within the District, as per the provincial crime prevention strategy, aimed at coordinating and increasing efficiency of various stakeholders in dealing with various aspects of community safety. Capacitating Community Safety stakeholders,
- The unit supports initiatives that are identified by the Community Safety Forums stakeholders, in an effort to address crime hotspots and areas of special need.

PROGRAMS	PURPOSE AND OUTCOMES
The unit facilitated the erection of 3 High Mast at the Toleni village in Mquma municipality. This led to other risks being identified, hence the initiation of the Toleni Bush Clearing project in 2012 - 2013 , which led to the creating a safer environment by removing alien vegetation and creating job opportunities through the Expanded Public Works Program for the current financial year 2013/2014	To prevent criminal activities that have been reported occurring in the bushy areas, the project created 100 jobs for the local residents and is removing alien vegetation.
The unit has assisted Local municipalities to facilitate a process for the development of Liquor trading by laws by capacitating their officials and portfolio councillors and facilitating access to draft by-laws.	To manage and reduce the socio-economic and other social degenerative activities reported in the areas of un-controlled liquor outlets. Regulate nuisance caused by opportunistic illegal outlets.

T 3.20.

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services responsibilities as per section 84(1) j of the Municipal Structures Act is performed by the ADM in so far as:

- Planning, co-ordination and regulation of fire fighting services
- Specialized fire fighting services such as mountain, veld and chemical fire fighting services.
- Co-ordination of the standardization of by-laws, infrastructure, vehicles, equipment and procedures.
- Training of fire officers

However, the MEC has assigned the provision of Fire Fighting Services for 4 of the 7 Local Municipalities to the Amathole District Municipality as per section 85(6). [Mnquma, Mbhashe, Ngqushwa and Great Kei Municipalities] Thus it provides the following in these 4 local municipalities as per the Fire Brigade Services Act 99 of 1987 Section 1(v):

- Preventing the outbreak or spread of fire
- Fighting or extinguishing of fire
- Protection of life and property against a fire or other threatening danger
- Rescue of life or property from a fire or danger
- Any function connected with the above

FIRE SERVICES ACTIVITIES UNDERTAKEN - IN ADDITION TO THE STRATEGIC KPI'S OF THE HEALTH AND PROTECTION SERVICES DEPARTMENT

PROGRAMS PURPOSE AND OUTCOMES

- * Training of fire fighters in FFI, HAZMAT Awareness, FFII and HAZMAT Operations
- * Ensure well trained permanent and volunteer fire fighters
- * Patient simulations and technical training drill conducted at Fire Stations
- * Maintain skill levels of fire services staff
- * Identification and procurement of required specialized fire equipment, personal protective clothing and uniform.
- * Ensure the resources needed to provide an effective service are in place.

T 3.21.1

FIRE STATISTICS

2012	MBHASHE			MNQUMA			GREAT KEI			NGQUSHWA			TOTAL
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
January 12	3	9	3	10	3	1	2	2	1	2	4	1	41
February 12	2	2	2	13	5	0	4	8	1	1	3	0	41
March 12	7	3	2	10	3	0	3	8	3	1	1	0	41
April 12	6	6	1	6	4	1	5	2	0	4	1	0	36
May 12	27	10	1	38	1	0	22	9	0	4	3	1	116
June 12	36	5	0	46	4	0	28	10	1	8	0	0	138
July 12	55	0	1	51	2	0	43	4	2	4	1	0	163
August 12	20	0	0	23	3	2	25	5	0	7	3	0	88
Sept 12	9	1	0	20	2	1	21	11	0	5	2	1	73
October 12	11	1	2	16	1	2	1	11	3	4	1	0	53
November 12	3	5		15	2	0	10	4	0	6	0	0	45
December 12	4	11	0	10	1	1	3	3	0	7	2	1	43
TOTAL 2012	183	53	12	258	31	8	167	77	11	53	21	4	764

2013	MBHASHE			MNQUMA			GREAT KEI			NGQUSHWA			TOTAL
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
January 13	3	9	3	2	2	1	1	5	0	8	2	2	38
February 13	6	7	0	9	3	2	1	4	1	4	1	0	38
March 13	8	8	1	13	7	2	6	9	0	17	5	1	77
April 13	13	6	1	10	5	5	1	5	4	1	4	1	56
May 13	11	4	1	9	4	2	6	2	1	3	0	0	43
June 13	30	8	2	53	1	4	21	3	1	5	3	0	131
TOTAL 2013	71	42	8	96	22	16	36	28	7	38	15	4	383

Fires – all fire incidents attended
MVA – Motor Vehicle Accidents attended
SS – Special Services (HAZMAT clean ups and other humanitarian services)

INFRASTRUCTURE AND TURN-OUT TIMES

Turn out times within the urban and peri-urban settings of the towns of Dutywa, Butterworth, Komga and Peddie are 15 to 20 minutes, however the rural turn-out times are not ideal due to:

- Long distances to rural areas from the town based fire stations
- Poor road infrastructure
- Lack of water sources for fire- fighting thus large water carrying vehicles are utilized

In an effort to address this, the Amathole District Municipality has embarked on the establishment of satellite fire stations in the 4 local Municipalities for which it has been assigned the fire-fighting function.

- A total of seventy eight (78) Fire Fighters were in posts as at the end of 2012-2013, assisted by 44 Volunteers
- 17 Fire Appliances and 8 service vehicles were in service at the end of the year
- An average of between 3 to 4 vehicles are off the road at any one time during the year.

T 3.21.2.1

Employees: Fire Services					
Job Level	Year 2011/12	Year 2012/13			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9	64	70	64	6	9%
10 - 12	4	6	4	2	33%
13 - 15					
16 - 18					
19 - 20					
Total	69	77	69	9	12%

T 3.21.4

Financial Performance Year 2012/13: Fire Services

R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3920	4232	4232	3 982	5.91 %
Expenditure:					
Fire fighters	-				
Other employees	13 905	16303	17 614	18 515	-13.57 %
Repairs and Maintenance	64	378	681	392	-3.70 %
Other	3 988	6 682	5156	5 902	11.67 %
Total Operational Expenditure	17 958	23 363	23 451	24 809	-6.19 %
Net Operational Expenditure	14 038)	-19 131	-19 219	-20 827	-8.87 %
					<i>T 3.21.5</i>

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The capital projects for fire services are related to infrastructure and operational resources to ensure operational sustainability and reduced response times. Thus satellite stations are being established to serve communities that are located far away from the original four main fire stations and additional vehicles and equipment are being procured to ensure all stations are adequately resourced. One satellite Fire Station in Kei Mouth [Great Kei Municipality] reached practical completion and is operational. One in Willowvale and another in Hamburg are under construction and are due for completion in the 2013 – 2014 financial year.[Multi-year projects] Two fire engines [major pumpers] and four replacement service vehicles were procured.

PROJECT NAME	BUDGET FOR 2012=2013	BUDGET SPENT IN 2012 2013	MULTI YEAR BUDGET [previous or future]	STATUS QUO AS AT 30 JUNE 2013
Procure two Fire Engines [specialised vehicles]	R4 500 000.00	R4 354 524.86	N/A	Vehicles delivered.
Replace 4 Fire Services service vehicles [sedans]	R600 000	R551 321	N/A	Vehicles delivered.
Establish Hamburg Satellite Fire Station	R1 800 000.00	R 79 946.50	2013-2014 R2 241 962.96	Planning completed, land acquired.
Establish Willowvale Satellite Fire Station	R2 822 157.00	R122 579	2013-2014 R2 000 000	Planning complete, Land issues that delayed starting in previous year resolved, appointment of

				Consultant achieved
Establish Kei Mouth Satellite Fire Station	R1 090 377	R1 084417	2013-2014 R378 909.71 retention and final consultant fee.	Practical completion.

Previously established stations include:

LOCAL MUNICIPALITY	LOCATION
Mnquma	Centane
Great Kei	Chintsa

CHALLENGES

Funding remains a challenge due to no dedicated funding received via the equitable share or any other source for the assignment of the provision of fire services in 4 local municipalities

T 3.21.7

3.22 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act 57 of 2002 and the National Disaster Management Framework promote inter Alia:

- A coordinated approach to disaster management, with special emphasis on the prevention and mitigation of disasters.
- The Facilitation of the development and implementation of public awareness to inculcate a culture of risk avoidance.
- The promotion of disaster management capacity through training and education.

PROGRAMS	PURPOSE AND OUTCOMES
Responded to significant incidents of storm and fire damages to multiple homes and provided relief building materials as per response and relief guidelines. Facilitated provision of temporary shelters through coordination with the Department of Land and Human Settlements.	Provide means to repair homes to families affected by disastrous incidents. Provide sustainable shelter to vulnerable / needy families.
Capacitation of portfolio councillors, ward councillors and stakeholders in Disaster Risk Management through workshops and sessions held for sector plan reviews and Disaster Management consultative forums.	To ensure familiarity with processes and stakeholders which facilitates quicker response to incidents and a culture of mitigation
The resourcing of the District Disaster Management Centre which was completed in the previous financial year is on-going.	Effective Disaster Risk Management in the ADM.

3.22.1

Employees: Disaster Management		
Job Level	Year 2011/12	Year 2012/13

	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	3	3	3	0	0%
7 - 9	8	10	8	2	20%
10 - 12	1	1	1	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	12	14	12	2	14%

T 3.22.4

Financial Performance Year 2012/13: Disaster Management					
					R'000
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 070	268	268	466	-73.88 %
Expenditure:					
Employees	2 934	3 840	3 318	3 321	13.52 %
Repairs and Maintenance	3	130	130	59	54.62 %
Other	4 022	7 196	4 195	4 627	35.70 %
Total Operational Expenditure	6 959	11 166	7 643	8 007	28.29 %
Net Operational Expenditure	(5 889)	-10 898	7 375	-7 541	30.80 %

T 3.22.5

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sport is not a competency of Amathole District Municipality, however, as prescribed in the Municipal Structures Act ADM provides support to and capacitates Local Municipalities within its jurisdiction. During the year under review ADM identified a need to mobilise partnership with businesses for community sports development programmes and sports infrastructure development at LMs.

The Amathole District Municipality has identified a need within its area of jurisdiction to facilitate and coordinate the development of sport. This need has been made evident by hikes in cases of small crimes and substance abuse by youths of various areas in the district. One of the ways in which the district has intended to curb crime and other destructive tendencies amongst the youth was the coordination and facilitation of sport by a dedicated official. The Amathole District Municipality Sport plays a coordinating and facilitating role in the development of sport throughout the district. This component is currently developing a sport development strategy which will act as the guiding document for all programmes of the component.

Amathole District Municipality established a portfolio for Sport and Recreation to ensure the co-ordination, development and wellness of its citizens within the district. The ADM sport desk is responsible for implementing sport development programmes within the district for all sport structure and or federations. This office is also responsible for co-ordinating and implementation of sport and recreational programmes for employees and councillors of the Amathole District Municipality. In an effort to ensure a structured and well coordinated implementation of development programmes, in collaboration with its stakeholders, the office has developed a sport development strategy to be used as a guiding document. The sport desk continuously creates a platform for all stake holders to participate in the process of sport development through platforms such as the District Sport Forum and District Sport Council meetings.

The Sport component envisages implementing sport programmes that will make a positive change in the lifestyles of the citizens/communities of the Amathole District Municipality. The Sport component implements, amongst the many community outreach programs, the annual Mayors Cup, which features children and youths from all over the District.

T 3.23

Employees: Sport and Recreation					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9	1	2	2	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	1	2	2	0	0%
T 3.23.3					

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Amathole District Municipality is an Executive Mayoral Type of Municipality with Executive Mayor, Mayoral Committee Standing Committees and other committees of council. The Municipality has established Standing Committee which are aligned to the local government key performance areas. The ADM Council has 50 councillors and 10 traditional leaders participating in council in accordance with section 81 of the Local Government Municipal Structures Act(Act 117 of 1998 as amended).

The Mayoral Committee is composed of 10 councilors allocated according to the following portfolios

1. Infrastructure
2. Land and Housing
3. Water and Sanitaion
4. Local Economic Development
5. Corporate Services
6. Health and Protection
7. Community safety
8. Budget and Treasury
9. Strategic Planning
10. Community Liaison and Participation

The Portfolio councilors are delegated specific functions by the Executive Mayor to perform and report diligence

T 3.24.1

Employees: The Executive and Council

Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	43	43	43	0	0%
4 - 6	30	34	30	4	12%
7 - 9	44	48	44	4	8%
10 - 12	23	23	23	0	0%
13 - 15	37	37	37	0	0%
16 - 18					
19 - 20					
Total	177	185	177	8	4%
T 3.24.4					

Financial Performance Year 2012/13: The Executive and Council					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	21 782 036	48 392 969	53 746 602	30 896 308	56.63%
Expenditure:					
Employees	40 651 012	53 467 626	56 981 837	49 701 352	7.58%
Repairs and Maintenance	614	95 000	108 656	85 078	11.66%
Other	5 222 689	18 924 363	20 468 075	19 394 814	%
Total Operational Expenditure	45 874 315	72 486 989	77 558 568	69 181 244	4.78%
Net Operational Expenditure	24 092 279	24 094 020	23 811 966	38 284 936	37.07%
T 3.24.5					

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

What we achieved:

- Prepared annual financial statements in-house
- Provided management responses and time bound action plans in response to internal and external audit queries
- Improved monitoring of supplier payments within legislative timeframes.
- **Preparation of Annual Financial Statements**
- Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 requires that the Accounting Officer of a municipality
- Must prepare the annual financial statements of the municipality and, within two months after the financial year end, submit the statements to the Auditor-General for auditing and
- Must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements and within three months after the financial year end, submit to the Auditor General for auditing.

The Amathole District Municipality prepares its own annual financial statements for submission to the Auditor General South Africa. These statements have been submitted in compliance with the legislative timeframes.

Management responses to audit queries

After the Audit report and management letter were issued by the Auditor General, action plans to address the matters in both these documents were compiled. The actions included timeframes and responsible parties. The progress on the resolution of the audit queries was monitored closely by the Executive management

Monitoring of supplier payments within legislative timeframes

The municipality has improved monitoring of payments to suppliers in order to ensure that payments are made within 30 days of receipt of the invoice. This percentage has not been below 90% during the 2012/13 financial year.

Credit rating

The Amathole District Municipality once again received an A3.za national scale issuer rating from Moody's Investment Services. This rating reflects the municipality's adequate financial fundamentals, notwithstanding a marked historical volatility, and its virtually debt-free status. The rating also considers the municipality's consistently sound liquidity position, meaning that the municipality is able to pay its debts when they fall due. The rating further reflects the municipality's negligible financial leverage and sound liquidity profile.

Amathole's relative position reflects its negligible financial leverage and sound liquidity profile. The municipality's credit strengths include its virtually debt free status, sound liquidity and adequate

financial results, while its credit challenges include low maintenance on infrastructure and weak revenue collection on water and sanitation services.

T 3.25.1

Debt Recovery							
Details of the types of account raised and recovered	Year 2011/12		Year 2012/13			Year 2013/14	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	N/A		N/A				
Electricity - B	N/A		N/A				
Electricity - C	N/A		N/a				
Water - B	28 085 759.96	21%	29 800 709.16	7 152 087.07	24%	31 588 751.71	30%
Water - C	64 370 333.73	49%	138 888 999.61	61 347 166.56	44%	147 222 339.59	50%
Sanitation	74 963 760.38	20%	74 204 812.21	17 569 551.65	24%	78 657 100.94	30%
Refuse							
Other							
B- Basic; C= Consumption.							

T 3.25.2

When comparing the 11/12 and 12/13 financial years, there is improvement regarding the collection of the billed amount. The municipality has however not yet reached the desired target but is continuously working towards improving its collection rates.

Further to this, the municipality has an approved Debt collection and Credit policy which it implements in order to manage its collection rates.

T 3.25.2.1

Employees: Financial Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	13	7	4	31%
4 - 6	14	29	20	6	21%
7 - 9	20	42	28	12	29%
10 - 12	43	44	43	0	0%
13 - 15	61	72	61	0	0%
16 - 18					
19 - 20					
Total	145	200	145	22	11%
T 3.25.4					
Financial Performance Year 2012/13: Financial Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	91 284 286	91 684 460	93 027 738	99 138 991	7.52%
Expenditure:					
Employees	41 312 106	61 537 677	62 871 715	54 185 508	13.57%
Repairs and Maintenance	45 831	172 020	238 564	159 029	8.17%
Other	32 165 231	28 594 804	28 903 972	25 800 483	10.83%
Total Operational Expenditure	73 523 168	90 304 501	92 014 251	80 145 020	12.68%
Net Operational Expenditure	17 761 118	1 379 959	1 013 487	18 993 971	92.73%
T 3.25.5					

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

ADM embarked on a Business Processes Re-engineering (BPR) program. The purpose was to consider the structures of all the Directorates, and paying particular attention to how the satellite offices are organized. The reviewed five year Integrated Development Plan (IDP) of the Amathole District Municipality (ADM) contained a number of strategies that need to be in place within a period of five years. Labour Relations Strategy was listed among the strategies. For the first year 2012/13, the project to embark on was a labour relations diagnosis, which served as a baseline for the development of the strategy itself. As an integral part of this project, a number of consultation workshops were conducted in the whole financial year.

A number of issues were raised as concerns by staff members on satellites and most of the problems were ranging from health and safety, salaries and employment related issues. What became clear in these consultations was the cross-cutting nature of labour relations, i.e. how other operations and activities of the Municipality impact on labour relations, and vice versa. Several informal hearings revolving around absenteeism were held during the last financial year and warnings were issued and the most affected departments were Engineering and Community Services. The formal disciplinary hearings took place and there were no major challenges, except the reluctance of Managers to preside in these cases.

T 3.26.

Employees: Human Resource Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	4	4	0	0%
4 - 6	3	7	3	4	57%
7 - 9	8	9	8	0	0%
10 - 12	6	6	6	0	0%
13 - 15	3	3	3	0	0%
16 - 18					
19 - 20					
Total	24	29	24	4	14%
T3.26.4					

Financial Performance Year 2012/13: Human Resource Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	671 291	569 718	569 718	3 416	165.78%
Expenditure:					
Employees	13 756 096	16 179 890	15 097 264	14 508 811	11.52%
Repairs and Maintenance	-	90 000	90 000	32 891	173.63%
Other	7 488 283	10 970 716	11 477 361	12 297 168	10.79%
Total Operational Expenditure	21 244 379	27 240 606	26 664 625	26 838 870	1.50%
Net Operational Expenditure	20 573 088	26 670 888	26 094 907	26 835 454	0.61%
T 3.26.5					

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

ADM identified the need to ensure that internal organizational structures were optimally designed to ensure it is best able to provide service delivery to the communities that it services. Consequently, a service provider was appointed with a purpose to consider the structures of all the Directorates, and paying particular attention to how the satellite offices are organized. This project will be concluded during the 2013/2014 financial year.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The main responsibility of ADMs ICT services is providing and maintaining Information Systems (IS) that responds to the information needs and requirements of the municipality as well as to ensure connectivity of ADM users at all times by focusing on the following areas;

- security of all Information Technology (IT) systems and assets;
- availability of systems;
- high performance of systems;
- increase service delivery of ADM to its greater customers through highly effective systems;
- support and maintain systems used by ADM departments;
- ensure IT systems work according to business requirements;
- ensure seamless integration of systems and platforms; and
- to lead delivery of IT systems and services according to industry best practices and government based procedures.

From a governance perspective, the implementation of the IT Master Strategic Plan initiatives seeks to achieve alignment to the strategic objectives of the organisation. Thus ensuring the IT investment is done in assisting with service delivery imperatives. The development of the Enterprise Wide Business Continuity Plan for all the departments results in the organisation being able to function in cases of emergency and/or disasters. This allows for continuity of the organisation to function whilst the restoration of services is underway with alternative site identified and the establishment thereof being a priority. This culminated to a review of the IT Disaster Recovery Plan in order to respond to the requirements as set by business (organisation/ municipality) with recovery times and ensuring that backups of data are available and accessible from a secured remote/offsite storage site. The reestablishment and alignment of the IT Steering Committee to the Organisational Governance Framework was necessitated due to the transformation of the organisation.

The other priority is the assessment of the IT systems used by the municipality and determining their future use thereof, with an issue of being able to measure fit for purpose and investment in assisting the organisation to perform its function. The benefit is efficiency and agility of the administrative system. The analysis defines that and the report actually depicts the state of the systems and their usage which helps in decision making and information to support that. The infrastructure upgrade ensures security of the network and access to the systems. Furthermore, the email continuity strategy ensures that communication electronically via emails is stable and provided with high availability. This

then required an ISO standard data centre which had to be upgraded and refurbished to meet those requirements for security reasons. The procedures were then developed for the administration of the new and changed environment which resulted in state of the art modern data centres with server consolidation and virtualisation to reduce cost of ownership and maintenance and also ensure that the environment is monitored and managed.

The GIS Strategy recommended an establishment of shared services for the local municipalities that do not have the GIS skills. The programmes and projects for GIS had the outputs of a land audit for the district, update of the cadastral data and land ownership. This culminated to a pilot project of analysing the revenue collected in terms of the water services as a core function thus collaboration and information flow between various departments and/units within the organisation. This then leaves the municipality with the latest and updated land ownership information for the entire district that is accessible via the internet. Additionally, the updating of all local amenities facilities for the entire district bears fruits of the status quo and audit of all community facilities available within the district. These are all geo-referenced and captured with GIS coordinates on the GIS website for the municipality, of course being shared with the local municipalities.

T 3.27.1

Employees: ICT Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	4	400%
4 - 6	3	3	3	2	67%
7 - 9	2	2	2	0	0%
10 - 12	9	9	9	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	15	15	15	6	40%
<i>T3.27.4</i>					

Financial Performance Year 0: ICT Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	66 856	1 535 422	1 535 422	14 989 632	89.76%
Expenditure:					
Employees	4 760 030	7 783 218	7 939 075	5 114 513	52.18%
Repairs and Maintenance	155 879	505 000	505 000	290 006	74.13%
Other	10 514 174	16 005 806	17 388 533	30 171 143	46.95%
Total Operational Expenditure	15 430 083	24 294 024	25 832 608	35 575 662	31.71%
Net Operational Expenditure	15 363 227	22 758 602	24 297 186	20 586 030	10.55%

T 3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The four largest projects are :

* IT Master Strategic Plan - the budget allocation as per implementation plan annually does not cover the initiatives as captured thus impacting on a successful implementation and fulfilling of the plan. Amount is R500 000

* GIS Strategy - this has been successfully funded and the initiatives implemented. Amount is R2 000 000

* Business Continuity Plan - the plan was successfully funded for its development with budget to be allocated in the outer years. Amount is R420 000

* Email upgrade - the project was sufficiently funded for implementation over three years with an allocation of R2 170 000 with allocation for year 1 of R900 000.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Legal Services Unit deals with all legal matters affecting the Municipality. In addition as and when required, the Municipality has made use of the following professional service providers:

- Wesley Pretorius and Associates;
- Squires Smith and Laurie Inc; and
- Smith Tabata Inc.

1) Litigation matters that have been dealt with during the year under review:

Olivewood Trade and Invest 41 (Pty) Ltd - Wesley Pretorius

The applicant, an unsuccessful tenderer, applied for an interdict to stop the implementation of the award of a tender in respect of the eradication of bucket toilets at New Lingeletu, Adelaide. The ADM has opposed the application and the matter was argued in the Grahamstown High Court in March 2013. Judgement has been reserved and is awaited.

Qolora Traditional Council - Sibongile Tito

The First Respondent was interdicted and restrained from excavating land situate at Upper Macibe Locality, Centane. The matter could not be set down as Legal Services at ADM is still to enquire from the Project Management Unit about whether this project is still to continue. It appears that Applicants are no longer interested in the matter. ADM seeks to avoid wasteful and fruitless expenditure in trying to avoid flogging a dead horse.

Fernfin - Sibongile Tito

ADM instituted action against Vuma JV Lungalabantu Construction and its surety, Fernfin, of Mthatha. This relates to the award of a contract in March 2007. The project has now been finalised, the figures for amounts incurred as damages amounting to close to 4 million have been given to us by the PMU of the municipality. The claim has been amended to reflect the cost to the municipality.

Mandila Construction - Justin Laing

Applicant claims payment of amount of R763 800 from ADM in respect of contract 8/2/63/2007-2008 entered into by both parties. Application dismissed with costs on 31 May 2011. The ADM's bill of costs have been drafted and served on the applicant. Last date for applicant to oppose - 22 July 2011 - after which we will obtain taxation date. The Registrar has not allocated a taxation date as yet.

Michelle Fourie - Justin Laing

Plaintiff instituted action against ADM (in the alternative) for damages in the sum of R588 308.44, she alleges to have sustained when the vehicle in which she was a passenger collided with a cow/ox. Matter set down for trial on 30 November 2009, but subsequently removed from the roll. All defendants (except 1st, who is not defending matter) have entered their pleas. Plaintiff to apply for trial date. Matter dormant.

Give Ziyaya - Sibongile Tito

ADM (Plaintiff) instituted action against a joint venture, Give Ziyaya and a certain Esther Jojo (who operated a sole proprietorship, called Sunshine Construction) for damages for breach of contract arising out of their abandonment of the Project. The amount of the claim is R 1 198 370.20 which comprises the cost of defective service rendered, re-tendering costs, site re-establishment costs, etc. The pleadings have now closed, and the matter is at Discovery stage with the trial expected to be either in the First or Second term in 2013. Discovery Notices and Discovery Affidavit for Plaintiff have already been filed. Trial date has been allocated already, and it is the 24th of June 2014.

Amanz' Abantu - Justin Laing

Amanz 'Abantu has sued the ADM for payment of outstanding amounts claimed in relation to the construction of RDP houses at Teko Springs. The ADM has pleaded that it is not obliged to pay the amounts until receipt of funds from the ECDOHS. An application for summary judgement was successfully opposed. The ADM's Plea has been delivered. Discovery of trial documents to take place shortly.

2) Prevention mechanisms of current litigations:

By its strict adherence to the provisions of Supply Chain Management Regulations, the Municipality minimises the risk of being sued in respect of irregular procurement practices. However the Municipality cannot prevent people from exercising their Constitutional rights, if they so choose to institute legal proceedings against the Municipality.

3) Criminal matters emanating from corruption and fraud

During the year under review, there were no criminal matters emanating from corruption and fraud, although alleged instances of fraud have been reported to the police for criminal investigation.

4) Management of Legal Risks

There is no specific legal policy in place aimed at the management of legal risks. However, compliance with the legislative framework governing local government as well as adherence to internal policy provisions ensures that legal risks to the Municipality are minimised. In this regards, the Legal Services Unit has embarked upon a project to develop Legal Compliance Registers, detailing relevant regulatory provisions, per department within the Municipality.

Furthermore, contracts binding the Municipality are vetted by the Legal Services Unit prior to signing, to ensure that potential legal risks are identified before such contracts are concluded,

T3.28.1

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year 2011/12	Year 2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	17%
4 - 6	2	6	2	4	67%
7 - 9	15	20	15	3	15%
10 - 12	3	5	3	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	25	37	25	8	22%
T 3.28.4					

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	Year 2011/12	Year 2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	35 525	198 929	198 929	2 035 113	90.23%
Expenditure:					
Employees	6 588 241	10 356 908	9 971 915	9 264 859	11.79%
Repairs and Maintenance	25 706	15 000	12 294	7 344	104.25%
Other	2 991 151	5 386 284	5 255 273	3 013 551	78.74%
Total Operational Expenditure	9 605 098	15 758 192	15 237 482	12 285 754	28.26%
Net Operational Expenditure	9 569 573	15 559 263	15 038 553	10 250 641	51.79%
					<i>T 3.28.5</i>

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

KPI NO.	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS	REMEDIAL ACTIONS
KPA:1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
1.	MTI 1:1	Corporate Services	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	Conduct an institutional diagnosis to improve effectiveness and appropriateness of organisational functioning	Approved Reviewed Establishment Plan	Approved Reviewed Establishment Plan	Approved Reviewed Establishment Plan Not submitted	Financial Limitations led to non achievement of this target, and the final reviewed establishment plan will be approved by Council in Dec 13. ADM is busy with phase 2 as this phase could not be done in 2012/13
2.	MTI 1:2	Corporate Services		Review and implementation of the Retention Strategy	Implemented programs per retention strategy implementation plan	Implemented approved and budgeted programs per retention strategy implementation plan	A Retention Strategy with attached implementation plan is submitted, evidence of programs implemented as per the strategy is availed in all quarters	N/A as the target has been achieved
3.	MTI 1:3	Corporate Services		Develop and implement a comprehensive compensation management strategy	Approved Comprehensive Compensation Management strategy	Approved Comprehensive Compensation Management strategy	Compensation Strategy was approved by the Council in May 2013 (Q4 file)	N/A as the target has been achieved
4.	MTI 1:4	Strategic Planning		Review and implementation of Performance Management System	Reviewed PM Framework submitted to Council for approval	Reviewed PM Framework submitted to Council for approval	A Performance Management Framework was approved in a Council meeting held on the 28 May 2013 (Q4 File)	N/A as the target has been achieved
5.	MTI 1:5	Corporate Services		Review and implement HRD Strategy	Reviewed HRD Strategy submitted to Council for approval	Reviewed HRD Strategy submitted to Council for approval	Reviewed HRD Strategy was submitted to Council and was approved in the Council meeting that was held on the 22 March 2013	N/A as the target has been achieved
6.	MTI 1:6	Corporate	To attract,	To attract, retain,	No of staff	12 trained officials	A training report that has	N/A as the target has been

		Services	retain, build capacity and maximise utilization of ADM human capital by 2017	build capacity and maximise utilization of ADM human capital by 2017	attended the Minimum Competency program		been submitted in Q4 from a Service provider reflects that 14 Officials have been trained in 12/13	achieved
7.	MTI 1:7	Corporate Services	retain, build capacity and maximise utilization of ADM human capital by 2017	Develop Labour Relations Diagnosis report	Labour Relations Diagnosis report Developed	Final draft Diagnosis report submitted to EMC	The Diagnosis report was submitted to the EMC in July 2013 and is attached in the 4th quarter file	N/A as the target has been achieved
8.	MTI 1:8	Corporate Services		Develop Occupational Health, Safety and Wellness Strategy	Developed Occupational Health, Safety and Wellness Strategy submitted to council	OHS and Wellness Strategy submitted to council	OHS and Wellness Strategy submitted to council and have been approved on the 28th May 2013 (Q4 File)	N/A as the target has been achieved
9.	MTI 2:1	Strategic Planning	To promote and enhance internal and external communication by 2017	Review and implement Communications Strategy of ADM	Finalised reviewed communication strategy and implementation of year 1 action plan	Finalised reviewed communication strategy and implementation of year 1 action plan	A copy of the Strategy document dated 2012-2017 is submitted together with the implementation plan of year action plan	N/A as the target has been achieved
10.	MTI 3:1	Health and Protection	To have a fully functional integrated Information Management System for MHS by 2017	Develop, implement and review an Integrated Information Management System	Functional Integrated Information Management System	Functional Integrated Information Management System	A signed Annual report for the functionality of the Municipal Health Management system, a snap short of the system, a signed letter/proof for the installation, system printouts, attendance registers for the trainings held for municipal Health officials on the system and Formal Food premises report results for the month of May is submitted.	N/A as the target has been achieved

11.	MTI 4:1	Strategic Planning			4 Sector Plan Coordinating Forum progress reports on review and development of Department's sector plans	4 Sector Plan Coordinating Forum progress reports on review and development of Department's sector plans	A signed annual report on what has been done with regards to Sector plans in each quarter, minutes of the Sector plan coordinating meetings held throughout the year and attendance registers are submitted, Progress reports are submitted in each quarter	N/A as the target has been achieved
12.	MTI 4:2	Health and Protection	Ensure development and review of sector plans in line with the Spatial Development Framework and Integrated Development Plan by 2017	Coordinate review and development of institutional Sector plans in line with the SDF and IDP	9 H & Protection Reviewed Sector Plans submitted to Council for approval	Reviewed Sector Plans submitted to Council for approval	Reviewed Sector Plans for H&P department were submitted in Q4 together with the minutes of the Council meeting where these Plans were approved	N/A as the target has been achieved
		Engineering			3 Engineering Reviewed Sector Plans submitted to Council for approval		3 Sector Plans for Engineering department were submitted in Q4, i. WSDP, ii. Solid waste Management Plan, iii. Integrated Transport Plan, and were approved in the Council meeting sat on the 28 May 13 (Q4 File)	N/A as the target has been achieved
		Land Human Settlements and Economic Development			13 LHSED Reviewed Sector Plans submitted to Council for approval		Reviewed Sector Plans for LHSED department were submitted in Q4 together with the minutes of the Council meeting where these Plans were approved	N/A as the target has been achieved
13.	MTI 4:3	Land Human Settlements and Economic Development		Development of Spatial Development Framework Shared Services	SDF Shared Services Report submitted to EMC	SDF Shared Services Report to EMC	A report on the SDF Feasibility study, a copy of the Feasibility study report and an email requesting the SDF	N/A as the target has been achieved

							Shared Services Report to be included in the EMC meeting are submitted	
14.	MTI 5:1	Health and Protection			No of developed and reviewed policies	Reviewed policies	An annual report on the developed MHS Policies, minutes of the Council meeting where these Policies were approved and copies of the policies (i. Health Care Waste Risk Policy, ii. Informal Food trade Policy) are attached.	N/A as the target has been achieved
		Engineering					2 Policies (Accommodation Policy and a Free Basic Sanitation Policy) have been approved by the Council	N/A as the target has been achieved
15.	MTI 5:2	Health and Protection	Ensure development, review and implementation of policies and by laws by 2017	Review, develop and implement policies and by-laws.	Implemented By - Laws	4 Quarterly inspection reports	4 signed Quarterly reports for the inspections done during the year i.e. July-Sep, Oct- Dec, Jan- March and April -June with the list of areas inspected in each quarter, the reports also indicate the interventions taken on Complying and Non complying areas.	N/A as the target has been achieved
		Land Human Settlements and Economic Development					An annual report on the Implementation of the Air quality Pollution Control by law together with 4 quarterly report that were prepared during each quarter reporting on the complying and non	N/A as the target has been achieved

		Chief Financial Officer					compliance are submitted	
							4 signed Quarterly reports indicating compliance and non compliance of meters inspected in various LM's throughout the year, with the list of meters with remarks on the inspections conducted are submitted	N/A as the target has been achieved
16.	MTI 5:3	Strategic Planning	Ensure development, review and implementation of policies and by laws by 2017	Development of a Risk Master Plan	Developed Risk Master Plan	Risk Management Master Plan	A Risk Management Plan was developed and was submitted in the 4th quarter	N/A as the target has been achieved
17.	MTI 5:4	Land Human Settlements and Economic Development		Develop and implement an institutional policy and framework on EPWP in ADM	Developed EPWP Mainstreaming policy	Developed EPWP Policy	The Policy has been developed and was approved in the 3rd quarter.	N/A as the target has been achieved
18.	MTI 6:1	Strategic Planning	Ensure integrated and responsive ICT function by 2017	Alignment of the ICT Strategy to ADM Business Strategies	Implemented prioritised projects of year 1 targets	Implementation of year 1 targets on Approved IT Master Plan	A signed Annual report on the implementation of year 1 targets, as per the implementation plan on the IT Master Plan	N/A as the target has been achieved
19.	MTI 6:2	Strategic Planning		Development of enterprise wide business continuity plan	Developed Business Continuity Plan	Final Business Continuity Plan	Final Business Continuity Plans for all the departments were submitted in quarter 4	N/A as the target has been achieved
20.	MTI 6:3	Strategic Planning		Implementation of a district wide shared services centre	Establishment of a district wide shared services function at 2 LM's	Established district wide shared services function at 2 LM's	A signed annual report on the IT support Shared services to LM's contributing toward the Shared Model that is being established	N/A as the target has been achieved
21.	MTI 6:4	Strategic Planning		Mainstream & integrate GIS with other	Updated Cadastral information	Updated Cadastral information for all 7 Local	A signed report on the Cadastral Land Audit verification for 7 LM's	N/A as the target has been achieved

				information management systems	for all 7 Local Municipalities	Municipalities	with and Financial and Water Data Analysis reports for 7 LM's are submitted	
22.	MTI 6:5	Strategic Planning			Integration of EDAMS data with Corporate GIS	Intergration of EDAMS data with the Corporate GIS	A signed Annual report on Financial and water analysis using GIS and Close out reports for the Land Audit on 7 LM's are submitted	N/A as the target has been achieved
23.	MTI 7:1	Land Human Settlements and Economic Development	To enhance institutional capacity to plan and implement services effectively and efficiently by 2017	Building capacity of the Research Unit	Developed Economic Research Plan	Development of Economic Research Plan	A copy of the Final Economic Research Plan has been submitted	N/A as the target has been achieved
24.	MTI 8:1	Corporate Services	Ensure coherent functional and effective satellite offices by 2017	Develop and implement an efficient integrated model for ADM satellite offices to ADM operations	Approved ADM Satellite office structure	Approved ADM Satellite office structure	ADM satellite structure has not been approved	The project was under budgeted, however the final satellite structure will be approved by Council in Dec 13. Currently ADM is busy with phase 2 as this phase could not be done in 2012/13
25.	MTI 9:1	Corporate Services	To resource and capacitate the accidents and transgression functions by 2017	Strengthen Operations of the Accident Committee	12 Sitzings of the Accident Committee	12 Sitzings of the Accident Committee	From the evidence submitted throughout the quarters reflects that 13 meetings of the Accident committee took place in 12/13 financial year, i.e. $Q1 = 3 + Q2 = 3 + Q3 = 3 + Q4 = 4$	N/A as the target has been achieved
26.	MTI 9:2	Corporate Services		Review Fleet Management Policies and procedures	All instances of non-compliance and usage reported to user departments	All instances of non-compliance and usage reported to user departments	An annual report on the non compliance and usage of ADM vehicles, together with a CD with emails which that proves the reporting of non compliance instances to	N/A as the target has been achieved

							user departments are submitted	
27.	MTI 10:1	Engineering	Provision of adequate, potable and sustainable water services infrastructure by 2014	Implement Water Resource Plans as part of the Water Services Development Plan	Dutywa Dams refurbishment Plans	Dutywa Dam refurbished plan completed	A refurbishment plan for Dutywa Dam are completed and were submitted in the 4th quarter	N/A as the target has been achieved
28.	MTI 10:2				Great Kei Municipality's Water and Sanitation Services Master Plan	Great Kei Municipality's Water and Sanitation Services Master Plan developed	Great Kei Municipality's Water and Sanitation Services Master Plan is developed and was submitted in Q4	N/A as the target has been achieved
29.	MTI 10:3				Feasibility Study for Bende-Shixini WSS and Cafutweni WSS	Feasibility Study for Bende-Shixini WSS and Cafutweni WSS developed	Feasibility Study for Bende-Shixini WSS and Cafutweni WSS are developed and were submitted in Q4	N/A as the target has been achieved
30.	MTI 10:4	Engineering	Provision of adequate, potable and sustainable water services infrastructure by 2014	Establish accurate water balances	No of towns with pipe replacement planning	2 Towns with pipe replacement plans completed	Pipe replacement Feasibility Plan for Stutterheim is complete and has been submitted Pipe replacement Feasibility Plan for Dutywa is complete and has been submitted	N/A as the target has been achieved
31.	MTI 11:1	Land Human Settlements and Economic Development	To promote holistic sustainable regional economic development by 2030	Implement Climate Change Strategy	Completed Renewable Energy Study	Completed Renewable Energy Study	A copy of the Renewable Energy Study and the Annual report on the Renewable Energy study submitted	N/A as the target has been achieved
KPA: 2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT								
KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE AS PER ANNUAL TARGTES	REMEDIAL ACTIONS
32.	SDI 1:1	Engineering	Provision of adequate, potable	Implement water resource plans as	Selected section of Adelaide	Remainder of canal rehabilitated	The Adelaide Canal has not been refurbished	Refurbishment will begin in the 13/14 financial year, as it

			and sustainable water and sanitation services to all by 2018	part of the Water Services Development Plan	Canal Refurbished			transpired in the assessment done that there is more work to be done as previously anticipated after the silt was removed in the Canal
33.	SDI 1:2	Engineering		Establish accurate water balances	Butterworth 4km Pipe Replacement	Butterworth 4km Pipe Replacement	Pipe replacement for Butterworth has not commenced	Impact/Environmental assessment done during the design stage proved that the project was more complex than envisaged, but the problem was solved and the project would be completed by 30 June 2014
34.	SDI 1:3	Engineering		Improvement of Water Management	12 Reservoirs monitored using Telemetry system installed at highest priority installations	12 Reservoirs monitored using Telemetry system installed at highest priority installations	A completion certificate with Service Provider report on the Installation of Reservoirs with a summation report indicating that 35 units were installed	N/A as the target has been achieved
35.	SDI 1:4	Engineering	Provision of adequate, potable and sustainable water and sanitation services to all by 2018	Eradicate water backlogs	No of households with rainwater tanks	325 Households provided with rainwater tanks	377 rainwater tanks have been provided to Households throughout the quarters and evidence is filed, $Q1 = 42 + Q2 = 130 + Q3 = 105 + Q4 = 100 = 377$	N/A as the target has been achieved
36.	SDI 1:5	Engineering			No of households with new water connections	3610 Households with new water connections	Water connections done this year is over the target, $Q1 = 3836 + Q2 = 0 + Q3 = 1684 + Q4 = 1299$ which sum up to 6 749	N/A as the target has been achieved
37.	SDI 2:1	Engineering	Implementation of sustainable and environmentally friendly sanitation and services to all communities by 2018	Implement sanitation infrastructure as an alternative to the bucket systems	No of households with eradicated bucket system	3881 Households with eradicated bucket system	Buckets eradicated this year is only 1245, a copy of an approved memorandum explaining the actual target that was due in 12/13 which is 1247 not 3881 as previously stated and	N/A as the target has been achieved

							has been eradicated is submitted	
38.	SDI 2:2	Engineering		Eradicate sanitation backlogs	No of households provided with VIP toilets	19 462 households with VIP toilets	Only 11 063 VIP toilets have been provided as per the report submitted	Capacity problems with Service Provider's led to non achievement of this target, but a comprehensive roll out plan has been developed and the implementation will hence forth improve in 13/14 financial period
39.	SDI 3:1	Health and Protection	Contribute towards the Reduction of the prevalence of communicable diseases by 2017	Monitor drinking water and waste water quality compliance on a monthly basis	No of drinking water samples	1420 of drinking water samples tested that comply with prescribed standards	A signed Annual report on the drinking water samples taken during the year which were 1940, where only 1752 complied, together with copies of samples are submitted,	N/A as the target has been achieved
40.	SDI 3:2	Health and Protection			No of waste water samples tested	180 of waste water samples tested that comply with prescribed standards	A signed Annual report on the waste water samples taken during the year which were 227, where only 119 complied, together with copies of samples are submitted,	Improper crafting of the target led to the department not achieving the target, thus in the 13/14 SDBIP a SMART target has been captured.
41.	SDI 4:1	Health and Protection	Enhance the provision and standardisation of fire services by 2017	Establish and operationalise legally compliant fire stations in identified areas	1 Fire Satellite Station established at Hamburg	Appointment of a Contractor	A contractor has been appointed in the 4th quarter, a copy of the contract and minutes of the BAC where it was approved were attached	N/A as the target has been achieved
42.	SDI 5:1	Health and Protection	Facilitate Sustainable coordination of disaster relief and response with other stakeholders by 2017	Rehabilitation of disaster damages as per disaster management framework	Disaster relief backlogs addressed in 3 LM's(Ngqushwa , Nkokobe and Mnguma)	Disaster Relief Material distribution to 3LMs	Relief Materials were distributed throughout the quarters at Nkonkobe, Mnguma and Ngqushwa LM's in Q3 and Q4	N/A as the target has been achieved
43.	SDI 5:2	Health and Protection			48 Awareness campaigns conducted in 7	48 Awareness campaigns conducted	63 awareness campaigns were held throughout the quarters i.e. Q1 = 16 +	N/A as the target has been achieved

					LMs		Q2 = 12 + Q3 = 20 + Q4 = 15 = 63 awareness's	
44.	SDI 6:1	Engineering	Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2014	Implementation of the Integrated Waste Management Plan	2 Solid Waste Transfer stations built in Mnquma and Mbashe	Two Transfer Stations completed	Its only the appointment of a contractor that has been done so far, the construction has not started	Unavailability of Land, however the department is constantly engaging with both Local Municipalities to identify alternative land. Mbashe LM has identified alternative land on 10 June 2013, and a correspondence in this regard has been received
45.	SDI 7:1	Engineering	All households to have access to public transport facilities, within 2km walking distance by 2022	Implementation of the Integrated Transport Plan	Elliotdale public Transport project implemented	1 public transport facility completed	Construction is still in progress it is not complete	Disputes over borrowed Pit, however the matter has since been resolved and it is envisaged that work will be complete by end July 2013, and the completion certificate has been received on the 29/08/13
46.	SDI 8:1	Land Human Settlement and Economic Development	Facilitate development of sustainable and viable settlements by 2014	Implementation of the Land Reform and settlement plan	No. of LRSP projects facilitated for implementation as per approved budget	4 LRSP projects facilitated for implementation as per approved budget	An annual report on the progress made in the Implementation of 4 LRSP projects is submitted indicating that 3 projects have not been implemented fully which is project i. The bidders did not meet the requirements so the zone plans were not completed ii. Individual Title deeds - Awaiting for Title deeds from the Deeds Office and iii. Transfer of Title deeds- Awaiting for new EIA certificate as the existing one is expired	Delays from the office of the Surveyor General but the Madwaleni Zone Plan project will be implemented during the 2013/14 financial year, and for the Mt Pleasant project ADM will communicate frequently with the conveyancer and finalised transfers by 30 September 2013, and for the Komga/ Kei Road project- ADM is communicating with the Department of Economic Development & Environmental Affairs & Tourism for the issuing of the new Environmental Impact Assessment report in order to finalise the opening of a township register.
47.	SDI 8:2	Land Human		Implementation	No. of Housing	2 Housing Strategy	A signed annual report	N/A as the target has been

		Settlement and Economic Development		of the housing strategy	Strategy projects implemented (housing risk awareness and Housing fraud awareness)	projects implemented	on the 2 Housing projects implemented during the year, which summarises the workshops held in Q3 and Q4 and the Housing Risk Plan and Fraud Plan was submitted in the 4th quarter	achieved
48.	SDI 9:1	Land Human Settlement and Economic Development	Develop, conserve and maintain heritage sites by 2017	Implementation of the Heritage Resource Management Strategy	No of Heritage Resources Management strategy project developed and implemented	2 Heritage Resources Management Strategy projects developed and implemented	A signed summation report on the 7 Heritage Resources project is submitted, where 2 projects are implemented under this target, and the evidence to support the annual target implementation is provided	N/A as the target has been achieved
49.	SDI 10:1	Chief Financial Officer	Monthly monitor and report on the performance of contractors in relation to projects.	Monitor and report on the performance of contractors	4 quarterly performance reports on supplier performance to the EMC	4 quarterly reports submitted, consolidated report of all quarters	Q1-Q4 reports on the performance by Service providers, EMC minutes and Agendas are submitted as proof that the performance of SP has been discussed in each quarter and a Consolidated Annual report	N/A as the target has been achieved
50.	SDI 10:2	Chief Financial Officer		Enhance the capacity of contractors to deliver on contracts	1 SCM supplier/contractor workshop	1 SCM supplier/contractor workshop	A supplier/contract workshop was held on the 19 April 2013 and supporting documents are attached	N/A as the target has been achieved
51.	SDI 11:1	Strategic Planning	To ensure that Local Municipalities are empowered to render services that are within their	Implement Municipal Support Empowerment and Capacity Building	9 Engineering projects conducted	9 Engineering programmes implemented	Not all 9 Engineering projects were implemented in 2012/2013 only 8 were implemented i.e. 1 project has not been	Project completion was delayed due the Environmental Impact Assessment process. The project will be monitored through the departmental project steering committee and

			powers and functions by 2017	Programs To Local Municipalities			Finalised (Closure of Fort Beaufort Waste Disposal landfill	be completed in October 2013
KPA: 3. LOCAL ECONOMIC DEVELOPMENT								
KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS	REMEDIAL ACTIONS
52.	LED 1:1	Land Human Settlement and Economic Development	To promote holistic sustainable regional economic development by 2030	Mainstreaming and co-ordination of EPWP across all the sectors	No of projects in MIS	EPWP Compliance Report	A system printout generated in April reflecting the number of projects under ADM, and quarterly reports on the jobs created for EPWP Interns and quarterly reports generated over the year are submitted	N/A as the target has been achieved
53.	LED 1:2	Land Human Settlement and Economic Development		Implement HRD Strategy Learnership program	Implement program per HRD Strategy implementation Plan	Implemented 1 approved and budgeted program per HRD Strategy implementation Plan	An annual report on the programs implemented as per the Strategy, an HRD Implementation plan and the supporting evidence for the programs	N/A as the target has been achieved
54.	LED 1:3	Land Human Settlement and Economic Development	To promote holistic sustainable regional economic development by 2030	Building capacity of the Research Unit	No. of Enterprise Development Strategies Projects implemented	Implementation of 4 Enterprise Development Strategies Projects	A summation report on the 4 Enterprise development Projects is submitted where throughout the year projects were implemented and supporting evidence is in the files in each quarter.	N/A as the target has been achieved
55.	LED 1:4	Chief Financial Officer		Facilitate use of Local procurement	No. of procurement complying with use of SMMEs and Co-operatives	SMMEs and Co-operatives Compliance Report	An annual report on the procurement done by departments through SMME's together with how the procurement was done by each department in each	N/A as the target has been achieved

							quarter are submitted	
56.	LED 1:5	Land Human Settlement and Economic Development		Regenerate the economies of small towns.	Conduct Impact Assessment of LED Projects	Impact Assessment of LED Projects	A report prepared by the SP dated June 2013 on the impact of LED projects an annual report on the Impact assessment of LED projects and Venus printout are submitted	N/A as the target has been achieved
57.	LED 1:6	Land Human Settlement and Economic Development		To facilitate and promote regional economic development	3 AREDS projects implemented	3 AREDS projects implemented	A signed progress report on 3 AREDS projects is submitted, where the Economic development plans for Great Kei and Nxuba which were developed were submitted in the 4th quarter and the supporting evidence for the training that was done for LED practitioners was also submitted in the 4th quarter	N/A as the target has been achieved
58.	LED 2:1	Land Human Settlement and Economic Development	To enhance sustainable use of Natural Resources by 2017	Implementation of the Environmental Management Plan	Reviewed Air Quality Management Plan	Reviewed Air Quality Management Plan	A reviewed Air Quality Management Plan was submitted in Q4	N/A as the target has been achieved
59.	LED 3:1	Land Human Settlement and Economic Development	To unearth and preserve heritage resources by 2017	Manage and conserve our heritage resources	No. of Heritage Management Strategy Projects implemented as per Implemented and Operational Plan	4 Heritage Management Strategy Projects implemented	A signed summation report on the 4 Heritage projects with quarterly reports on the activities done during the year is submitted	N/A as the target has been achieved
60.	LED 3:2	Land Human Settlement and Economic			Implementation of Military Veterans	Implementation of Military Veterans Support	The project for supporting Military veterans support	Funding constraints led to non achievement of the target, but the project will be implemented

		Development			Support Programmes	Programmes	programme has not been implemented as per the evidence submitted, only preparation documents attached also the Annual report submitted is not supported by sufficient evidence for the implementation	and monitored in the 13/14 financial period.
61.	LED 4:1	Land Human Settlement and Economic Development	To promote Agrarian Reform and food security within ADM by 2017	Implementation of Agricultural Development Plan	No. of Agricultural Development Plan projects implemented	2 Agricultural Development Plan projects implemented	Evidence on the 2 Agricultural projects implemented is submitted where delivery of Food parcel was done in Q4 and the hosting of Agricultural Expo was held on 7-9 Nov 2012 and Venus printout are submitted	N/A as the target has been achieved
62.	LED 5:1	Health and Protection	To promote compliance with the Municipal Health legislation within ADM by 2017	Improved compliance with legislation	No of food handling premises inspected	4 Quarterly reports on legislation compliance	4 Quarterly reports on the number of Food Handling premises inspected throughout the year are submitted.	N/A as the target has been achieved
63.	LED 5:2	Health and Protection			No of sessions conducted to capacitate food handlers	8 capacitation sessions conducted for food handlers	A signed Annual report on the 10 capacitation sessions held for Food handlers this year	N/A as the target has been achieved
64.	LED 6:1	Land Human Settlement and Economic Development	To position Amathole District as a tourism destination of choice 2017	Implementation of the Tourism Master Plan	No of Tourism Master Plan projects implemented	8 Tourism Master Plan projects implemented	A signed Annual report on the Tourism projects where the implementation of these projects was done throughout the year, supporting evidence is in the quarterly evidence files	N/A as the target has been achieved
65.	LED 6:2	Strategic Planning		Implement the reviewed Communications Strategy and	12 advertorials	12 advertorials	16 Advertorials were published in 12/13 financial year on ADM activities	N/A as the target has been achieved

				Action Plan				
66.	LED 7:1	Chief Financial Officer	To increase internal and external project spending to 80% of projected expenditure by 2015	Organising financing instruments for emerging suppliers	Provide access to funding for emerging suppliers/contractors through the conclusion of MOU with financial institutions	Four signed MOU with financial institutions	3 Copies of MOU's signed entered into between ADM and 3 financial institutions (ECDC, Standard Bank and Tusk Construction Support Services) are submitted together with a correspondence reflecting talks between ADM Official and Official from FN Bank	Appointment of a Chief Project Manager will improve financial performance of ADM as the official monitors the spending on projects against the allocated budget
67.	LED 8:1	Land Human Settlement and Economic Development	To develop film industry within ADM by 2014	Implementation of the film industry development strategy.	No of Film Industry Development initiative supported	Film Industry Development initiative supported	A signed annual report on the support provided during the year, the evidence is provided in all quarters	N/A as the target has been achieved
KPA 4: MUNICIPAL FINANCE VIABILITY AND MANAGEMENT								
KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS	REMEDIAL ACTIONS
68.	MFV 1:1	Chief Financial Officer	To ensure 20% recovery of costs incurred to provide water and sanitation services by 2015	Implement a costing model for ADM services.	Annual report on proposed tariffs submitted to EMC	Approved cost recovery tariffs under revised tariff policy	A signed report on approved tariffs is submitted together with a CD showing council resolutions on approved Tariffs, approved tariff policy and tariffs applicable for 13/14 are submitted the tariffs were approved on the 22 March 2013	N/A as the target has been achieved
69.	MFV 1:2	Director: Health and Protection	To ensure 20% recovery of costs incurred to provide water and sanitation services by 2015	Monitoring of variances on actual against projected project expenditure	Spending not less than 80% of departmental projected budget	Spending on projects not less than 80% of departmental projections	The department has spent more than 90% on both Internally and externally funding this year	N/A as the target has been achieved
		Chief Financial Officer					92% has been spent against projections	N/A as the target has been achieved

		Corporate Services					100% has been spent against projections	N/A as the target has been achieved
		Director: Strategic Planning					The department has spend 197% against its projections on both Internally and externally funding, Internally = 4 780 357/ 1 579 500 = 303% and externally 91%	N/A as the target has been achieved
		Engineering					Submitted expenditure report on Internally funded projects reflects that the department has spent 88% against its projections on Internally funding and for externally funding they have spent 95%	N/A as the target has been achieved
		Land Human Settlement and Economic Development					Departmental Projection against actual expenditure for the 4th quarter is above 80% on both Internally and Externally funding, they have spent 201%	N/A as the target has been achieved
70.	MFV 1:3	Chief Financial Officer	To ensure 20% recovery of costs incurred to provide water and sanitation services by 2015	Submission of business plans as pre-requisites for project approval and inclusion in the IDP	Developed business plan for each project application	Four quarterly reports	N/A	N/A as the target was approved to be removed by the Executive Mayor
		Director: Health and Protection						
		Corporate Services						
		Director: Strategic Planning						
		Engineering						
		Land Human Settlement and Economic Development						
71.	MFV	Chief Financial	To ensure that the	Implementation	Increase billing	10% increase in	An annual increase in	N/A as the target has been

	2:1	Officer	District municipality is financially viable by 2017	of the credit control and indigent policies	by 10%	billing	Billing is at 93.5% as per Venus reports submitted	achieved
72.	MFV 2:2	Chief Financial Officer			No. of consumers registered as indigents	1600 registered indigent consumers	2 548 indigents have been registers in 12/13, Q1 = 513 + Q2 = 975 + Q3 = 530 + Q4 = 530	N/A as the target has been achieved
73.	MFV 3:1	Chief Financial Officer	To improve collection rate on water and sanitation services to 60% by 2017	Implement Credit control and Indigent policies	increase collection rate to 45%	45% collection rate against the audit debt book for 10/11 financial year	53% of the 10/11 audited debt has been collected in the 12/13 financial year,, this has been collected as follows Q1 = 9% + Q2 = 11% + Q3 = 17% + Q4 = 16%	N/A as the target has been achieved
74.	MFV 3:2	Chief Financial Officer		Writing-off of irrecoverable debt	Four council items submitted to write offs of irrecoverable debts	Four council items submitted to write offs of irrecoverable debts	4 Council items on the irrecoverable debts written off are submitted	N/A as the target has been achieved
75.	MFV 3:3	Chief Financial Officer		Ensure billing of metered consumers	97% of read meters to total active meters	97% of meters read	An annual report on the meters read which indicates that 97.5% has been read in the 4th quarter is submitted and evidence submitted supports that.	N/A as the target has been achieved
76.	MFV 4:1	Engineering	To ensure ADM Assets are adequately managed and monitored	Implementation of the Infrastructure Asset Management Plan	No of Asset Management projects implemented	Comprehensive Infrastructure Asset Management plan implemented	An annual report on the Implementation of the Infrastructure Asset Management Plan is submitted	N/A as the target has been achieved
						All critical above ground assets tagged	A signed list of assets barcoded from the SP, a CD with the assets that have been tagged and a signed Annual report	
						Comprehensive valve audit for identified towns	Valve audit was done in Q4	

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
KPI No	INDI CAT OR COD E	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS	REMEDIAL ACTIONS		
77.	GGP 1:1	Strategic Planning			Developed and implemented audit plan	Approved and implemented Audit Plan	An approved Internal Audit Plan was approved and submitted, and has been implemented throughout the quarters	N/A as the target has been achieved		
78.	GGP 1:2	Chief Financial Officer				Audit Support : Financial Statements compliant with MFMA and GRAP submitted to AG on time.	Submission of AFS to the AG and Provincial Treasury by 31 August	A signed copy of the distribution list for the submission of Annual Financial Statements, Copy of the AFS are submitted	N/A as the target has been achieved	
79.	GGP 1:3	Health and Protection	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls	Appropriate Management responses provided within specified time-frames	12 Monthly EMC Reports and Action Plans	There were no findings raised by AG for this department	N/A		
		Engineering					Management responses and time bound Action Plans that were due in the 4th quarter were submitted to EMC, together with proof of submission of all 3 quarters are in the evidence files	N/A as the target has been achieved		
		Corporate Services					An annual report on the EMC minutes where it sat and the Management letter Action Plan was discussed	N/A as the target has been achieved		
		Strategic Planning	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to			Copies of Management letters Action plans are submitted	N/A as the target has been achieved		
		Chief Financial					12 Audit Action plans	N/A as the target has been		

		Officer		Governance processes, Risk Management and Internal Controls			are submitted	achieved
		Land Human Settlement and Economic Development					Proof of submission of the management letter , a copy of the Management letter and minutes of the EMC dated 21 May 13 are submitted	N/A as the target has been achieved
80.	GGP 1:4	Legislative and Executive Support Services		Coordinate functioning of Council oversight structures	No of Section 79 committees	4 sittings of the committees	Meetings for Section 79 Committees have taken place during all 4 quarters, and a signed Annual report on the number of sittings is attached	N/A as the target has been achieved
						N/A	MPAC visits to projects was done in Q1 and a list of dates is attached, a Council open day and SODA took place in Q4	
						Monthly MRM Meetings	A signed annual report with the number of MRM meetings that sat during the year is submitted	
81.	GGP 1:5	Corporate Services			No of Section 80 Committees per year	Functional Section 80 Committees	An annual report on the functionality of S80 Committees and the number or sittings that took place during the year under Review	N/A as the target has been achieved
82.	GGP 1:6	Strategic Planning		Develop of a guiding framework for legislative compliance requirements	Draft Legal Registers per Department	Draft Legal registers per Department	Copies of draft legal registers for 7 HOD's and 3 for Senior Managers reporting to MM were submitted in Q4	N/A as the target has been achieved
83.	GGP 1:7	Strategic Planning		Development and implementation of the Risk Management Plan	Developed and Implemented Risk Management Plan	Developed and Implemented Risk Management Plan	A Risk Management Plan was developed and submitted in the 4th quarter and has been	N/A as the target has been achieved

							implemented throughout the quarters	
84.	GGP 1:8	Health and Protection			Identification, monitoring and communication of risks	Updated risk registers for all quarters	Updated Risk registers for all the quarters from June 2012 to July 2013 are submitted	N/A as the target has been achieved
		Engineering					Updated Risk registers for all the quarters from June 2012 to July 2013 for this department are submitted	N/A as the target has been achieved
		Corporate Services					Updated Risk registers for all the quarters from June 2012 to July 2013 are submitted	N/A as this target has been achieved
		Strategic Planning					Updated Risk registers for all the quarters from June 2012 to July 2013 for this department are submitted	N/A as this target has been achieved
		Chief Financial Officer					Updated Risk registers for each quarter of 12/13 financial year are submitted	N/A as this target has been achieved
		Land Human Settlement and Economic Development					Updated Risk registers for all the quarters from June 2012 to July 2013 are submitted	N/A as this target has been achieved
85.	GGP 1:9	Corporate Services	To ensure clean and accountable governance in the district by 2017	Facilitate disposal of old ADM records	List of disposed records	List of disposed records	The records have not been disposed	Awaiting Provincial Archives to give approval for the documents to be disposed as the appraisal has been done already, and it transpired that the disposal of records takes a minimum of 1 and a half year
86.	GGP 2:1	Health and Protection	To facilitate coordination, cooperation and joint planning between the spheres of	Strengthen IGR structures within our area of jurisdiction	No of Meetings of the Health & Protection consultative Forums	60 Health & Protection consultative Forums	A signed annual report on H&P consultative Forums held in the year which is 69 = Q1=18, Q2=18, Q3=18, Q4=15.	N/A as this target has been achieved

			government by 2017					
87.	GGP 2:2	Land Human Settlement and Economic Development	To facilitate coordination, cooperation and joint planning between the spheres of government by 2017	Strengthen IGR structures within our area of jurisdiction	No of LED Forums forums convened	Sitting of 20 LED Forums	20 LED Forums sat throughout the year, i.e. $Q1 = 5 + Q2 = 5, + Q3 = 5 + Q4 = 5$ and supporting evidence on their sitting is filed in all quarters	N/A as this target has been achieved
88.	GGP 2:3	Land Human Settlement and Economic Development			No. of Land and Human Settlement Forums convened	8 Land and Human Settlements consultative Forums	8 Land and Human settlements forums were held in 4 quarters, where 2 in each quarters	N/A as this target has been achieved
89.	GGP 2:4	Chief Financial Officer			Monthly Revenue & Budget reports to National/ Provincial Treasury and DLGTA/COGTA/DWA	4 quarterly budget reports and 12 monthly revenue reports	12 signed monthly revenue reports, and Budget reports, Quality certificates are submitted	N/A as this target has been achieved
90.	GGP 2:5	Legislative and Executive Support Services			4 IGR technical and 4 IGR Political Meetings	4 technical and 4 Political Meetings	Only 3 IGR and DIMAFO Meeting sat in the year	The meeting could not sit as scheduled, due to unavailability of the Chairperson, and the target will be implemented and monitored in the Operational Plan in 13/14 financial year
91.	GGP 3:1	Strategic Planning	To promote learning and sharing, both domestically and internationally by 2017	Review and resuscitation of existing MOU's	4 Meetings between ADM and Participating Organisations	4 consultative meetings with sister organisations	3 Consultative meeting with sister organisations were held in Q2 with (a college and Nkangala) and in Q4 with Sedibeng and one meeting was organised with UFH but did not take place after all the preparations were done and the UFH did acknowledge that they will come but didn't come.	N/A as this target has been achieved
92.	GGP 4:1	Legislative and Executive Support	Mainstreaming of Special programmes into	Implemented programmes as per approved SPU	6 SPU Programmes implemented	6 SPU Programmes Implemented	A signed annual report on the 6 SPU programmes	N/A as this target has been achieved

		Services	ADM programmes by 2017	Strategy			implemented throughout the year is submitted, evidence for the quarterly implementation is available in each quarter	
93.	GGP 4:2				4 national days commemorated	4 National days commemorated.	A signed Annual report on the commemorated National days during 2012/13 period over the quarters	N/A as this target has been achieved
94.	GGP 5:1	Legislative and Executive Support Services	Coordinate the implementation of District Sports Strategy by 2017	Implement sport development programmes	4 Implemented sports development programmes	4 Implemented sport programmes	A signed Annual report on the implemented sports programmes during the year over quarters is submitted	N/A as this target has been achieved
95.	GGP 6:1	Strategic Planning	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate development and alignment of the IDP, SDBIP and budget integration	Reviewed Integrated Development Plan submitted to Council	Reviewed Integrated Development Plan submitted to Council	A reviewed Integrated development plan dated 2013 -2014 is submitted and was approved by the Council in May 2013	N/A as this target has been achieved
96.	GGP 6:2	Chief Financial Officer			Draft 2013/14 Budget submitted to Council	Final Budget submitted to Council	A Final Budget was submitted to Council and was approved	N/A as this target has been achieved
97.	GGP 6:3	Strategic Planning		Coordinate annual performance reporting, monitoring and evaluation	No of SDBIP quarterly performance reports submitted to the Municipal Manager	4 Quarterly performance reviews for 11/12	4 Quarterly reports for the Performance reviews conducted in all quarters of 11/12 -12/13 are submitted	N/A as this target has been achieved
98.	GGP 6:4	Health and Protection			Ensure 70% achievement in each Key Performance Area in all 4 quarters	Ensure 70% achievement in each Key Performance Area	The department obtained 100% in all its KPA in Q4	N/A as this target has been achieved
		Engineering					The department did not achieve 70% in all KPA's in all 4 quarters	External factors resulted to the department not achieving the target, Increase consultation with external parties
		Corporate Services					The department did not achieve 70% in all KPA's in all 4 quarters (in Q1 and Q2 the target was not achieved	Close monitoring of targets that led to the non achievement of this Indicator in 13/14 financial year which will assist in ensuring that, 70% is achieved

								in all Key Performance Area's
		Strategic Planning					The department did not achieve 70% in all KPA's in all 4 quarters (Q2 and Q4 the KPA indicator was not achieved)	The Key Performance Area affected is (Service Delivery & Infrastructure) as a result of not achieving KPI 51. Once the KPI is met automatically the target will be met. This will be achieved in October 2013.
		Chief Financial Officer					The department did not achieve 70% in all KPA's in all 4 quarters (Q3 did not achieve this indicator)	Non achievement of target 66 under Local Economic Development Key Performance Area made the department not to achieve this Indicator, however continuous engagements are held with the custodians of the target not met to track progress and to give support and interventions where needed to ensure improvement in 13/14
		Land Human Settlement and Economic Development					The department did not achieve 70% in all KPA's in all 4 quarters	Litigation issues were finalised late in 12/13 which affected Service Delivery & Infrastructure Key Performance Area
99.	GGP 6:5	Strategic Planning	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate annual performance reporting, monitoring and evaluation	2011/12 Annual report submitted to Council	2011/12 Annual report submitted to Council	A copy of the Annual report dated 2011/2012 is submitted	N/A as this target has been achieved
100.	GGP 7:1	Health and Protection		Cascading of performance to lower levels below Section 57	Staff Performance Agreements signed and assessed in all departments	Staff Performance Agreements signed and assessed in all departments	In all the quarters the AA.s and PP's for this department that were sampled and requested were signed and assessed	N/A as this target has been achieved
		Engineering					The department did not submit in all the quarters the AA.s and PP's that were sampled, in Q1 the AA's and PP's were not	Logistical issues led the department not to achieve this target, but the department will improve in 13/14 financial year

							all assessed	
		Corporate Services					The department did not submit in all the quarters the AA.s and PP's that were sampled, in Q1 and Q3 the AA's and PP's were not all assessed	The dept has since updated all Accountability Agreements and Performance Promises for Q1 and Q3 and such are filed accordingly
		Strategic Planning					The department did not submit in all the quarters the AA.s and PP's that were sampled, in Q1 the AA's and PP's were not all assessed	The department will facilitate the submission of the Accountability Agreements and Performance Promises including the assessment of Q1, this will be achieved in October 2013
		Chief Financial Officer					The department submitted assessed AA's and PP's that were sampled in all quarters as requested	N/A as this target has been achieved
		Land Human Settlement and Economic Development					The department did not submit in all the quarters the AA.s and PP's that were sampled, in Q1 the AA's and PP's were not all assessed	Monthly Accountability Agreements and Performance Promises checklist will be submitted to the Performance, Monitoring & Evaluation Unit
101.	GGP 7:2	Corporate Services			4 Quarterly performance reports on Departments performance	Staff Performance Agreements signed and assessed in all departments	Checklist for all the departments for the last quarter are submitted, and for other 3 quarters are in the files for each quarter	N/A as this target has been achieved
102.	GGP 8:1	Strategic Planning	To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	Implement Municipal Support Empowerment and Capacity Building Programs To Local Municipalities	Finance support initiatives on 2 LMst towards clean Audit	Final GRAP Fixed Asset register	A copy of the Final GRAP Fixed Asset register was submitted in Q3	N/A as this target has been achieved
						Project Close out report on the support provided to Mbhashe	A signed Close out report for the support rendered to Mbhashe was submitted in Q4	N/A as this target has been achieved
						8 Days of training	12 Trainings were	N/A as this target has been

							attended in Q2 = 5 + Q3 = 3 + Q4 = 4 and supporting evidence has been submitted throughout the year	achieved
103.	GGP 8:2				Land and Human Settlements support initiatives	3 Final strategies and plans reports	3 Final Strategies were submitted in the 4th quarter together with the Service providers reports	N/A as this target has been achieved
						Reviewed Nkonkobe SDF	A copy of the Reviewed Nkonkobe SDF was submitted in Q4	N/A as this target has been achieved
104.	GGP 8:3				IDP/PMS support initiatives	4 IDP/PMS Initiatives undertaken	A signed consolidated report on IDP/PMS initiatives undertaken during the year with supporting evidence are available	N/A as this target has been achieved
105.	GGP 8:4				6 training session conducted	6 training sessions conducted	6 Trainings have been conducted in Q2 = 2 + Q3 = 1 + Q4 = 3	N/A as this target has been achieved
106.	GGP 8:5				3 Corporate Services Support initiatives	Facilitated 6 Corporate Services trainings for LMs	A signed Annual report on Corporate Services support provided through trainings for LM's during 2012/13 throughout the quarters which are 6 is submitted	N/A as this target has been achieved
			To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017	Implement Municipal Support Empowerment and Capacity Building Programs To Local Municipalities		Reviewed HR Strategy, policy and Developed HR strategy	Copies of 4 Reviewed HR Strategies for 4 LM and Reviewed Policies for 2 LMS have been submitted in Q4	N/A as this target has been achieved
107.	GGP 8:6	Health and Protection			4 Community Safety Capacity building programs	4 Community Safety Capacity building programs	A signed annual report on the 7 community safety capacity buildings held this year, Q1 = 2, Q2 = 2, Q3 = 1, Q4 = 2 = 7	N/A as this target has been achieved
108.	GGP	Strategic	To promote	Implement the	Publication of 12	Publication of 12	12 Advertorials have	N/A as this target has been

	9:1	Planning	effective communication of ADM's business to its stakeholders by 2017	Communication Strategy	advertorials	advertorials	been submitted and Magazines are attached in the evidence file	achieved
109.	GGP 9:2	Strategic Planning		Facilitate efficient and effective dissemination of information	Publish 12 internal newsletter and 2 external newsletters	Publish 12 internal newsletter and 2 external newsletters	12 Copies of Internal Newsletters and 2 external newsletter with ADM articles	N/A as this target has been achieved
110.	GGP 10:1	Land Human Settlement and Economic Development	To enhance sustainable use of Natural Resources by 2017	Implementation of the Environmental Management Plan	No. of Environmental Awareness Campaigns as per the implementation plan	5 Environmental Awareness Campaign held	5 Environmental awareness's were held the throughout the year in all quarter, i.e. Q1 =1 +Q2 = 2 + Q3 = 1 + Q4 = 1 and supporting evidence is filed in the POE files	N/A as this target has been achieved

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

In order to achieve its service delivery mandate, ADM ensures that it has the most appropriate organizational structure.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year 2011/12	Year 2012/13			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	744	974	844	130	13 %
Waste Water (Sanitation)	55	55	55	0	0 %
Electricity					%
Waste Management	3	3	3	0	0 %
Housing	5	5	5	0	0 %
Waste Water (Stormwater Drainage)	3	3	3	0	0 %
Roads					%
Transport	2	3	2	1	33 %
Planning	21	21	21	0	0 %
Local Economic Development	33	34	33	1	3 %
Planning (Strategic &Regulatory)					%
Local Economic Development					%
Community & Social Services	81	91	81	0	0 %
Environmental Protection	3	3	3	0	0 %
Health	43	45	43	2	4 %
Security and Safety	2	2	2	0	0 %
Sport and Recreation	1	2	1	1	50 %
Corporate Policy Offices and Other	177	185	177	8	4 %
Totals	993	1241	1273	141	11%

T 4.1.1

Vacancy Rate: Year 2012/13			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	5	0	0
Other S57 Managers (Finance posts)	-	-	-
Police officers	-	-	-
Fire fighters	77	9	12
Senior management: Levels 13-15 (excluding Finance Posts)	54	7	13
Senior management: Levels 13-15 (Finance posts)	6	2	33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	258	32	12
Highly skilled supervision: levels 9-12 (Finance posts)	29	4	14
Total			

T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year 2010/11	84	84	6.76%
Year 2011/12	158	78	5.70%
Year 2012/13	157	101	5.94%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The Amathole District Municipality makes a number of attempts to ensure that the vacancy rate is kept at a minimum level. It has set itself a target of ensuring that the vacated and newly created positions are filled within a period of three (3) after they became vacant or created. At times the target is missed because of a number of reasons including lack of capacity in capturing high numbers of applications received when positions at junior levels have been advertised.

All positions below the management levels are advertised internally for the benefit of the internal candidates and only if there is no suitable candidate found are the positions advertised externally. The positions of section 56 managers are advertised nationally. In 2012 the position of the Municipal Manager and five (5) section 56 managers became vacant as a result of a resignation in the case of the Municipal Manager and the expiry of contracts in the case of section 56 managers. The recruitment and selection for the positions took a period of less than three (3) months and the positions were filled.

The municipality developed a Talent Retention Strategy in 2010 and is still in the process of being implemented. It is beginning to pay dividends as the municipality experienced no high staff turnover during the period under review. The municipality has also developed some staff benefits to recruit and retain staff. The benefits are developed and implemented within the framework of the South African Local Government Bargaining Council..

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Amathole District Municipality is very progressing district municipality which has a wide range of policies which are reviewed annually and also, as and when need arises. In the year 2012/13, there were a number of policies developed and reviewed amongst those policies were the Remuneration framework, Leave policy, cellphone policy and the Dress Code policy. The workforce is managed appropriately within the institution with clear reporting lines and proper delegation and authority given to the appropriate and relevant offices.

The Municipal Manager has delegated some authority to the Section 56 Managers through a delegation framework that provides guidance on delegations matters. The Heads of Departments have in-turn, delegated some authority to the Senior Managers in order to enable them to be able to manage their divisions on a day to day basis. With regards to management practices, the municipality has a system of reporting and processing issues which commences with the Working Group meetings which are composed of Senior Managers from the various departments. This approach was introduced to begin to develop a layer of management that would be able to rise through the ranks at some point, and to ensure that there is institutional memory throughout.

The second structure of Council that processes issues is the Executive Management Committee which is composed of all Section 56 managers and is chaired by the Municipal Manager. What has not worked well in the financial year was the cluster arrangement wherein ADM established cluster committee in line with the 5 key performance areas of local government which are GGP, MTI, LED, MFV and Basic Service delivery & Infrastructure development. The clusters were composed of various employees from ADM departments however, the clusters would hardly convene due to clash of meetings even though they were appearing in the institutional calendar and also, the chairpersons of the clusters were not given enough authority over the members of the cluster committee.

T 4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100%	100%	2012
3	Code of Conduct for employees	100%	100%	2009
4	Delegations, Authorisation & Responsibility	100%	100%	Reviewed annually with last review in 2012
5	Disciplinary Code and Procedures	100%	100%	2009
6	Essential Services	100%	N/A	Review takes place when industrial action is contemplated
7	Employee Assistance / Wellness	100%	100%	2010
8	Employment Equity			
9	Exit Management			
10	Grievance Procedures	100%	100%	2005
11	HIV/Aids	100%	100%	2005 with last review in 2011
12	Human Resource and Development	100%	100%	
13	Information Technology	100%	100%	
14	Job Evaluation			
15	Leave			
16	Occupational Health and Safety	100%	50%	2005 with last review in 2010
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100%	100%	
21	Organisational Rights	100%	100%	Signed in 2010
22	Payroll Deductions			
23	Performance Management Framework	100%	100%	PM Framework is reviewed yearly as part of the IDP review process
24	Recruitment, Selection and Appointments	100%	100%	
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	2007
28	Skills Development	100%	100%	
29	Smoking	100%	100%	2005
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	2010
33	Other: Substance abuse	100%	100%	2012

T 4.2.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

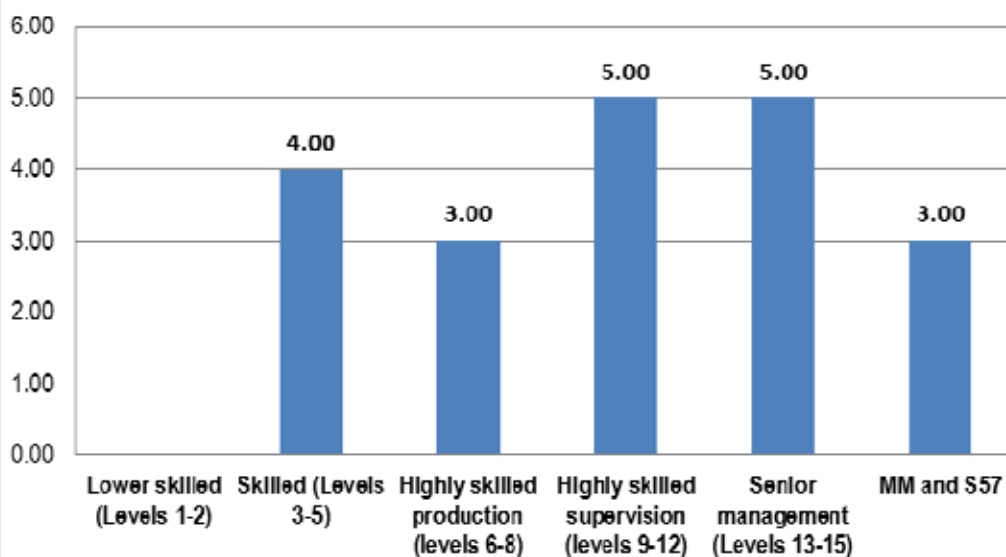
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5	8%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8%	12	60

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)	2412	8.78%	258	547	4	R 971 834
Highly skilled production (levels 6-8)	1343	9.30%	177	386	3	R 831 243
Highly skilled supervision (levels 9-12)	1227	17.03%	161	238	5	R1 228 423
Senior management (Levels 13-15)	520	18.65%	68	91	5	R1 002 016
MM and S57	21	0%	3	8	3	R109 772
Total						

T 4.3.2

Average Number of Days Sick Leave (excluding IOD)



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Training of employees on workplace hazards and Safety workshops were conducted to ensure that all ADM employees understand the importance of reporting the unsafe practise to prevent workplace injuries. When the accident happen in the particular workplace, the investigation is conducted and the findings are discussed with all employees to prevent re-occurrences. Each area has a trained First Aider and Health and Safety Representatives who assist when emergency occurs.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Area Manager	Theft: Involving the stripping of ADM vehicle	19 February 2013	Suspension lifted following failed condonation application at SALGBC on the award dated	22 August 2013

Millwright	Dishonesty and Insolence	14 November 2012	Dismissal: The employee referred the matter to the Bargaining Council, and his case was dismissed on the 18 Sept 2013.	18 April 2013
Cashier	Gross negligence: Failure to deposit money and follow security control measures when performing duties, causing ADM to lose an amount of +_R42 163.40 on what she reported as robbery	10-Jul-13	Awaiting for the finding from the Presiding Officer	Awaiting for the finding from the Presiding Officer
Senior Plant Operator	Insubordination and gross dereliction of duties	22-Mar-13	Penalized ten days salary	31-Jul-13

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Cashier	Gross negligence: Failure to deposit money and follow security control measures when performing duties, causing ADM to lose an amount of +_R42 163.40 on what she reported as robbery	Yes, on 07 June 2013	Employee pleaded not guilty on both charges. Awaiting for the finding from the Presiding Officer
Senior Manager	Financial misconduct in that he incurred irregular expenditure when he attended a Public Sector Communications Conference in November 2012 at Johannesburg, he extended his stay by three days without authority, thus causing the municipality to incur fruitless or wasteful costs to the amount of R2 879.78	Final Written Warning valid for a period of six (6) months.	05 Aug 2013

T 4.3.6

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
MM and S57	Female	2	2		100%
	Male	6	6		100%
Total		7	7		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

COMMENT ON PERFORMANCE REWARDS:

During the year under review ADM adopted an Employee Performance Policy that introduced performance rewards for employees below Section 57. This Policy is currently being implemented and is aligned to the adopted Performance Management Framework. The statutory municipal calculator will be used as part of the evaluation process at the end of this financial year.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In trying to change the skills development landscape within the District, Amathole District Municipality conducted 9 different programmes in financial year 2012/13 as well as two Special Programmes which were as follows;

- 1) Implementation of WSP through Training and Development of Councillors and Officials which was budgeted for R 2.4m in 2013/13;
- 2) Capacity Building for Amathole District Municipality personnel through LGSETA Grant Funds and an amount of R1 195 000.00 was utilized;
- 3) Internship Programme offered practical training to nine unemployed full graduate candidates to enable them to be eligible for employment opportunities. This was done through partnerships with Local Government SETA, Dept. of Science & Technology and National Treasury;
- 4) Experiential Training Programme was accessible to nineteen unemployed undergraduates to enable them to graduate;
- 5) Bursary on Rare Skills Programme offered financial assistance to 7 students from "Historically Disadvantaged" backgrounds to study Civil Engineering;
- 6) Adult Education and Training Programme (ABET), ninety-four employees across all seven Local Municipalities across ADM were enrolled with attendance rate of 97%.

7) Employee Study Assistance was offered to 197 employed candidates enrolled with various institutions.

8) Minimum Competency Level Training – ADM budgeted an amount of R1.4m in 2012-13 to implement the training in line with Govt. Gazette 299 67 and twenty-nine candidates were enrolled.

9) HRD Strategy was developed and adopted by Council in 2010-11 in line with the HRD Strategy for South Africa 2010 -2030 as well as the Provincial HRD Strategy. The Strategy was reviewed in 2012/13 in line with the IDP review process. As part of its implementation of the District HRD Strategy in 2012/13 conducting of the “New Venture Creation” Learnership continued into 2012/13, for 10 unemployed “People With Disabilities”(PWD) from Local Municipalities within ADMs jurisdiction.

Special Programmes:

-An Award giving Ceremony for best achiever in Mathematics from each of the seven LMs was also organized for seven schools around the Amathole District. The gesture was to encourage schools to do better in both Mathematics and Physics in line with the proposals set out on the Implementation Plan of the District HRD Strategy. The schools received trophies, Certificates of Achievements as well as vouchers to the value of R18 000 each.

-A “Career Expo” was also conducted in conjunction with Nkonkobe LM. Implementation of the HRD Strategy is on-going and will continue with new programmes for 2013/14 and the years beyond.

T 4.5.

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2012/13	Number of skilled employees required and actual as at 30 June Year 2012/13											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2011/12	Actual: End of Year 2012/13	Year 2012/13 Target	Actual: End of Year 2011/12	Actual: End of Year 2012/13	Year 2012/13 Target	Actual: End of Year 2011/12	Actual: End of Year 2012/13	Year 2012/13 Target	Actual: End of Year 2011/12	Actual: End of Year 2012/13	Year 2012/13 Target
MM and s57	Female	1	6	6	6				0	0	0			6
	Male	6	4	4	4		1	1	0	0	0			5
Councillors, senior officials and managers	Female	48				7	18	21	0	0	0			21
	Male	68				8	27	27	0	0	0			27
Technicians and associate professionals*	Female	263				121	41	43	0	0	0			43
	Male	133				97	47	45	0	0	0			45
Professionals	Female	60				22	116	114	0	0	0			114
	Male	58				13	72	77	0	0	0			77
Sub total	Female	127		6			175	178	0	0	0			
	Male	180		4			147	150	0	0	0			
Total		307	10	20	10	268	644	656	0					338

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The point of departure in managing workforce expenditure is ensuring that all positions created in the establishment plan are budget for and if not, a clear message be sent out that such will not be filled in the current financial year. The municipality has always operated along those principles and the position are approved before the beginning of a financial year and filled-in at the beginning of each financial year and throughout the year. In 2012/13, the exercise of filling vacancies went well and in some areas where positions would become vacant, the Corporate Services department would move swiftly to advertise such whilst a person is allocated such responsibilities on an acting basis.

The departments are also expected to budget for their own overtime and such funds are kept within the departmental vote numbers. This kind of an approach assist with the management of overtime as departments become aware that should the funds be exhausted before the end of the financial year, there will be no overtime authorised for the remainder of the financial year.

To avoid the long turnaround time in the filling of vacancies, a system whereby departments fill-in a form to indicate if a position should be filled or not when an employee leaves a post was introduced and that system has gone a long way in addressing the time lapse between the post being vacant and when the position is filled.

To ensure that the municipality receives value for money, the municipality takes special care when advertisements for positions are crafted it ensure that the requirements and qualifications are properly designed to source the most appropriate skill for the position. Employees are also trained on a continuous basis when they join the institution to ensure that the keep up with the latest information and trends within their work disciplines. The municipality also adopted a policy to pay subscription fees for all employees belonging to professional bodies which is a gesture that also serves as a retention strategy for the municipality.

T 4.6.0

COMMENT ON WORKFORCE EXPENDITURE:

ADM budgets for all employee related costs and the budget takes into cognisance the overtime to be worked, possible leave encashments and bonuses to be paid. In the previous years, a sizeable quantity of the budget has been utilised towards the payment of overtime with the Engineering department being the most prominent in that area. The work done at the Engineering department justify the high number of claims in respect of overtime due to the nature of their work. The department provides water to the communities and the water provisioning has to operate 24 hours non-stop as it is classified as a basic human right in the Constitution of the republic of South Africa.

Chapter 4

Some of the factors that influence workforce expenditure are the yearly increments which the municipality has to budget and issues relating to drought and disasters which the municipality is unable to anticipate. Fortunately, provision is made in the budget for such occurrences.

T 4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	9
	Male	33
Highly skilled production (Levels 6-8)	Female	28
	Male	33
Highly skilled supervision (Levels 9-12)	Female	46
	Male	58
Senior management (Levels 13-16)	Female	13
	Male	18
MM and S 57	Female	
	Male	
Total		238
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		

T 4.6.2

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Accountant	1	10	R288 972	Change from Post Level to TASK Grade during implementation of TASK
Admin Assistant	11	6	R129 048	""
Admin Clerk	5	6	R163 152	""
Admin Officer (Contracts)	1	11	R288 972	""
Admin Officer: Fleet	1	10	R220 032	
Admin Support Clerk	1	6	R137 196 – R161 532	""
Administrator	1	9	R261 768	""
Artisan Plumber	32	9	R220 032 – R255 336	""
Assistant HR Officer Recruitment	1	7	R231 204	""
Assistant Billing Clerk	1	7	R152 712	""
Assistant Internal Auditor	1	10	R243 036	""
Assistant Organizational Development Practitioner	1	9	R220 032	""
Cashier	4	5	R156 168 – R167 616	""
Chief Clerk	3	7	R167 616 – R237 060	""
Chief Payroll Administrator	1	11	R352 236	""
Chief Personnel Administrator	1	11	R343 740	""
Chief Technical Officer	1	12	R352 236	""
Control Room Operator	4	6	R134 448	""
Control Technician	2	13	R343 740	""
Credit Control Officer	1	12	R319 128	""
Creditors Clerk	1	5	R204 324	""
Desktop Technician	2	10	R237 060	""

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Disaster Management Officer	2	10	R231 204 – R237 060	""
Drivers Assistant	1	3	R 92 700	""
Filing Clerk	1	5	R131 712	""
Fitter & Turner	1	10	R243 036	""
Foreman	8	8	R167 616 - R176 172	""
General Assistant	18	3	R87 588 - R143 724	""
GIS Technician	1	11	R288 972	""
Health Assistant	5	7	R152 712 - R163 620	""
Helpdesk Operator	1	9	R237 060	""
HRD Officer	1	9	R268 380	""
Human Resources Officer	1	9	R288 972	""
Land Admin Officer	1	10	R275 004	""
Mayoral Committee Secretary	1	6	R159 756	""
Meter Reader	4	5	R110 892 - R147 192	""
Occupational Health & Safety Officer	1	10	R268 380	""
Office Administrator	2	10	R225 612 - R231 204	""
Payment/Records Administrator	1	6	R199 260	""
Payroll Administrator	3	9	R237 060 - R261 768	""
Plant Operator	1	6	R142 704	""
Principal Clerk	6	8	R194 388 - R214 632	""
Project Inventory Officer	1	10	R225 612	""
Project Funds Coordinator	1	12	R447 350	""
Provisioning Admin Officer	1	10	R231 204	""

Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Pump Attendant	1	4	R180 552	""
Receptionist	2	5	R111 648 – R113 508	""
Resource Controller	1	9	R204 324	""
Secretary	2	6	R156 168 - R204 619	""
Senior Admin Officer	2	12	R319 128	""
Senior Agricultural Officer	1	12	R319 128	""
Senior Clerk	7	6	R209 460	""
Senior Safety Officer	1	11	R319 128	""
Senior Water Operator	1	7	R186 804	""
Senior Developmental Officer	1	11	R311 268	""
Senior HR Officer	1	12	R319 128	""
Stores Supervisor	1	8	R209 460	""
Summonsing Officer	1	9	R209 460	""
Supervisor	5	10	R237 060	""
Switchboard Operator	1	4	R129 048	""
Systems Analyst	1	11	R288 972	""
Web Developer	1	10	R275 004	""
				T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/A	N/A	N/A	N/A	N/A
				<i>T 4.6.4</i>

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

ADM commenced a re-grading process to ensure that all employees have a TASK Grade that was appropriate for the present levels of responsibilities. During this process, a total of 201 jobs were re-graded, which resulted in 121 jobs, (238 incumbents of these positions) being up-graded. A total of 170 employee's basic salary still remain above the maximum notch for their relevant TASK Grade. This category of employees was a result of the migration of the previous van der Merwe grading Post Level system to the TASK system in July 2010.

T 4.6.5

Chapter 5

CHAPTER 5 PERFORMANCE – FINANCIAL

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality closely monitors its performance of budget versus actual on a monthly basis through the use of management accounts which reflect material variances. These variances are investigated and remedial action is taken where required.

The municipality vigilantly tries to reduce its reliance on consultants, with its annual financial statements being prepared in-house. The municipality has however, appointed consultants to assist with the componentization of its infrastructure assets so as to ensure compliance with the relevant accounting standards and to ensure the completeness and accuracy of its fixed asset registers.

This appointment supported the municipality in maintaining the unqualified audit opinion.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 Of 2003).

The principle accounting policies adopted in the preparation of the annual financial statements are set out in the annual financial statements contained in this document.

Financial performance

The municipality reflects adequate financial performance for the 2013 financial year.

With total revenue of R1 553 million in 2013 financial year, the Amathole District municipality is one of the largest district municipalities in South Africa. Typical of district municipalities in the country, the Amathole's revenue sources predominantly comprise operating fiscal transfers from the national government that accounted for 75% of operating revenues in 2013 and 2012. Equitable share makes up the bulk (61%) of these operating fiscal transfers and are utilised at the municipality's discretion to provide basic services to poor communities within its jurisdiction.

The Amathole District municipality is one of few district municipalities in the country that provides water and sanitation services to all local municipalities within its jurisdiction. However, given the widespread poverty in the area, the revenue collection is very low, at 30 - 40%, which places a large burden on the municipality to sustain this service. As a result of its responsibility regarding service delivery for seven local municipalities within its jurisdiction, administration and general expenses comprise a large (69%) portion of total expenditure.

Financial Position

The Amathole District Municipality has maintained a sound liquidity position over the past few years, supported by sustained transfers from the national government and disciplined cash flow management. In the 2013 financial year the municipality reported cash and cash equivalents of R663 million. The municipality maintained a strong liquidity at 3.2. The favourable liquidity ratio thus illustrates the municipality's strong capacity to defray operating costs as and when they fall due. The largest asset remains the property plant and equipment at R3.2 billion. These mainly consist of water and sanitation infrastructure assets.

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

	Approved Budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Difference between final budget and actual %	Reference
Figures in Rand							
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Service charges	12 428 705	-	12 428 705	22 812 888	10 384 183	84%	1
Rental of facilities and equipment	27 357	-	27 357	528 888	501 531	189%	2
Interest earned - external investments	27 112 122	-	27 112 122	82 434 000	55 321 878	349%	3
Interest earned - outstanding receivables	22 678 279	-	22 678 279	22 678 279	0	-0%	4
Other income	10 000 000	10 000 000	20 000 000	1 000 000	19 000 000	95%	5
Total revenue from exchange transactions	72 246 463	10 000 000	82 246 463	108 453 955	26 207 492	32%	
Revenue from non-exchange transactions							
Government grants and subsidies	1 171 548 580	-	1 171 548 580	1 171 548 580	0	0%	6
Fees	10 000	-	10 000	10 000	0	0%	7
Other income	10 000 000	-	10 000 000	10 000 000	0	0%	8
Total revenue from non-exchange transactions	1 191 558 580	-	1 191 558 580	1 191 558 580	0	0%	
Total Revenue	1 263 805 043	10 000 000	1 273 805 043	1 299 912 535	26 107 492	2%	
Expenditure							
Employee related costs	500 000 000	5 000 000	505 000 000	570 000 000	65 000 000	13%	9
Remuneration of councillors	10 000 000	10 000 000	20 000 000	20 000 000	0	0%	
Bad debts	10 000 000	-	10 000 000	10 000 000	0	0%	10
Depreciation and amortisation expense	10 000 000	-	10 000 000	97 385 965	2 614 035	26%	11
Repairs and maintenance	10 000 000	10 000 000	20 000 000	10 000 000	10 000 000	50%	12
Bulk purchases	10 000 000	10 000 000	20 000 000	10 000 000	10 000 000	50%	
Contracted services	10 000 000	10 000 000	20 000 000	10 000 000	10 000 000	50%	13
General expenses	10 000 000	10 000 000	20 000 000	10 000 000	10 000 000	50%	14
Finance charges	10 000 000	10 000 000	20 000 000	10 000 000	10 000 000	50%	15
Total expenditure	640 000 000	35 000 000	675 000 000	827 085 965	152 085 965	23%	
Operating surplus	623 805 043	6 999 999	630 805 042	472 826 570	157 978 472	25%	
(Loss)/Gross on sale of assets	-	-	-	-	-	-	
Surplus for the period	623 805 043	6 999 999	630 805 042	472 826 570	157 978 472	25%	16

Financial Performance of Operational Services						
R '000						
Description	Year 2011/12	Year 2012/13			Year 2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	423,431	478,425	–	476,104	-0.49%	100.00%
Waste Water (Sanitation)	114,345	65,583	–	103,954	36.91%	100.00%
Waste Management	1,645	4,300	–	3,451	-24.59%	100.00%
Trading Services	539,421	548,308	–	583,509	6.03%	100.00%
Executive and council	185,879	133,600	91,278	152,690	12.50%	40.22%
Budget and Treasury office	73,523	90,305	1,343	80,145	-12.68%	98.32%
Corporate services	84,051	100,308	–	110,843	9.50%	100.00%
Governance and administration	343,453	8,455	8,624	9,554	11.50%	9.73%
Aspire	82,402	70,520	19,213	57,450	-22.75%	66.56%
Aspire	82,402	70,520	19,213	57,450	-22.75%	66.56%
Planning and Development	46,223	62,853	23,000	89,776	29.99%	74.38%
Economic and environmental services	46,223	62,853	23,000	89,776	29.99%	74.38%
Health	26,829	26,697	–	30,765	13.22%	100.00%
Housing	31,251	14,975	2,100	49,125	69.52%	95.73%
Public Safety	24,917	35,853	–	34,030	-5.36%	100.00%
Community and Public Safety	82,997	77,526	2,100	113,920	31.95%	98.16%
Total Expenditure	1,094,496	767,662	52,938	854,211	10.13%	93.80%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the						7 5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

The actual service charges billed for the year exceeds the budgeted amount as additional meters were installed. These were not included when determining the budget figure. Further to this the Service Coverage information implemented on the system was not yet received when the budget for 2012/13 financial year was being finalised.

Rental of facilities and equipment

The variance is the result of improved processes relating to rental of property and facilities.

Interest earned - external investments

Interest earned on the continuous favourable cash/investment balance during the year. Interest rates are linked to market conditions.

Interest earned - outstanding receivables

The municipality has written off bad debts during the year thereby reducing the outstanding amounts.

Other income

Other income includes an amount from the accumulated surplus to balance the budget.

Government grants and subsidies

Actual government grants received exceeds the budgeted amount due to the conditions of the MIG grant being met and transferred to revenue including the roll-over from then 2011/12 financial year.

Fines

The fines that were budgeted for include air pollution and waste management fines. There were none charged during the year.

Other income

This item includes the VAT portion of grants that is recognised as own revenue.

Expenditure

Employee related costs

The under spending on employee costs is as a result of approved and budgeted posts not being filled during the current year. In addition there have been resignations.

Bad debts

The actual bad debt expense exceeds the budgeted amount, due to a large number of account holders who have not paid their long outstanding debts. The municipality has made many follow – ups and attempts to collect the outstanding debts from consumers by:

Restrictions and disconnections as per the credit control and debt collection policy;

Handing over of accounts to Debt Collector; and

Indigent registration throughout the 7 local municipalities that the ADM is servicing.

Due to the very low recovery rate, the provision for bad debts has been increased.

Depreciation and amortisation expense

New schemes commissioned during the year, hence depreciation has increased.

Repairs and maintenance

Under spending on repairs and maintenance is as a result of the anticipated repair not occurring. The budget amount includes an element of contingency and attempts to cater for unexpected repairs that may occur.

Contracted services

The leasing expenditure for office equipment such as fax machines and printers is less than the budgeted amount as the capital portions of the lease payments that have been classified as finance leases are offset against the lease liability in the statement of financial position.

General expenses

Staff recruitment is under-spent as the budget was not utilised due to staff being recruited internally, hence no recruitment costs that were initially catered for were not incurred.

Job evaluation spending is dependent on the outcomes of the job grading.

Subsistence and travel is underspent as officials did not travel as envisaged and the municipality attempts to save costs where it can by travelling locally.

The indigent support expenditure was set off against service charges as required by GRAP 9.

Finance charges

New lease agreements were entered into for the lease of photo-copiers and fax machines. Certain of these lease agreements were classified as finance lease agreements in accordance with the requirements of the GRAP standards.

Interest cost on the defined benefit obligation has been included in the finance costs not employee costs as required by GRAP 25.

Gain / Loss on sale of assets

Gain/loss on the disposal of assets is not budgeted for due its ad hoc nature and level of uncertainty

T5.1.3

5.2 GRANTS

Grant Performance						
R' 000						
Description	Year 2011/12	Year 2012/13			Year 2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	859,030	992,607	993,359	993,229		
Equitable share	517,003	583,540	583,540	583,410		
Municipal Systems Improvement	790	1,000	1,000	1,000		
Department of Water Affairs	12,111	18,281	19,033	19,033		
Levy replacement						
Other transfers/grants [MIG]	321,323	389,786	389,786	389,786		
Provincial Government:	7,803	6,022	6,022	6,022		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Expanded Public works	7,803	6,022	6,022	6,022		
District Municipality:	-	-	-	-		
<i>[insert description]</i>						
Other grant providers:	19,342	51,929	46,929	50,099		
<i>[Regional infrastructure grant]</i>	19,342	51,929	46,929	50,099		
Total Operating Transfers and Grants	886,175	1,050,558	1,046,310	1,049,350		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All operating transfers and grants were fully received and utilized for the purpose for which they were intended, except for the in kind allocation for Water Services Operating Subsidy.
All of the Neighborhood Development Partnership Grant income was in kind was directly transferred to ASPIRE, the municipality's municipal entity.

T5.2.2

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

MIG

The purpose of the grant is to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities. Application for Roll-over totalling to R12 166 285 has been submitted and subsequently approved by National Treasury. The budget was fully spent by the end of the first quarter.

EPWP Incentive Grant: This is an incentive grant received by the Municipality to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme guidelines. This grant has been fully committed to the programme of employing graduates as interns to give them exposure and experience in their respective areas of study.

Regional Bulk Infrastructure Grant: This is an allocation in kind and its purpose is to develop infrastructure required to connect or augment a water resource, to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality, and in the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works. The total gazetted amount was fully claimed and fully spent.

Financial Management Grant

An application for rollover has been sent to National Treasury. The remaining funds are earmarked for training of Minimum Competency Training including other related capacity building training that has been requested by the interns. The municipality is fully committed to spend the balance as there is need to fully empower the youth in the Amathole District Municipality on Local Government Finance.

Roads Asset Management Grant

The RAMS funds amount of R 2 741 792.50. The strategic goal of the RRAMG is to ensure efficient and effective investment in rural roads through the development of Road Asset Management Systems (RAMS) and the collection of associated road and bridge inventory data condition assessments and traffic information. Improved data on rural roads will guide infrastructure investment, improve accessibility to and mobility of rural communities.

Neighbourhood Development Partnership Grant

Fully transferred to ASPIRE, the municipal entity.

Municipal Systems Improvement Grant

The purpose of the grant is to assist municipality to build in-house capacity to perform its functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and the local government turnaround strategy. A total rollover application of R 119 225 has been submitted to National Treasury.

WSOG

To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government. The total grant received was fully spent

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers.

These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects.

Section 63 of the Local Government Municipal Finance Management Act requires the accounting officer to have consistent regulatory framework in which the Municipality operates. An Asset Management Policy was designed to promote efficient and effective management, monitoring, control and safeguarding of all assets controlled and owned by Municipality. To ensure accurate recording of asset information in the asset register is in accordance with the applicable accounting standards approved by National Treasury.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Nahoon House			
Description	Residential			
Asset Type	Building			
Key Staff Involved	Mr Bhana			
Staff Responsibilities	Asset Management Unit			
	Year 3	Year 2	Year 1	Year 0
Asset Value				R 6 900 000
Capital Implications				
Future Purpose of Asset	Mayoral House			
Describe Key Issues				
Policies in Place to Manage Asset	ADM Asset Management Policy			
Asset 2				
Name	ERF/FARM 728			
Description	Farm			
Asset Type	Fields			
Key Staff Involved	Mr Sibefu			
Staff Responsibilities	Property Management Unit			
	Year 3	Year 2	Year 1	Year 0
Asset Value				R 8 071 667
Capital Implications				
Future Purpose of Asset	Farming			
Describe Key Issues				
Policies in Place to Manage Asset	ADM Asset Management Policy			
Asset 3				
Name	ERF/FARM 87			
Description	Farm			
Asset Type	Fields			
Key Staff Involved	Mr Sibefu			
Staff Responsibilities	Property Management Unit			
	Year 3	Year 2	Year 1	Year 0
Asset Value				R 4 329 313
Capital Implications				
Future Purpose of Asset	Farming			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Unit			

COMMENT ON ASSET MANAGEMENT:

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers. These resources are consumed on the basis that there is future economic benefit derived from their consumption of their utilisation results in economic benefit for the municipality. The audit of the Municipality's assets was undertaken by Auditor General and all assets were accounted for.

These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to householders, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by the field and office staff during the delivery of services, furniture used by the staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in the service infrastructure projects. Capital Assets are classified into the following categories for the financial reporting purposes:

1. Property, Plant and Equipment
 - Land and Buildings (Land and Buildings not held as Investment)
 - Infrastructure Assets (Immovable Assets that are used to provide basic services)
 - Community Assets (Resources contributing to the general well-being of the community)
 - Housing Assets (Rental stock or housing stock not held for Capital gain)
 - Heritage Assets (Cultural significant resources)
 - Other Assets (Ordinary operational resources)
2. Intangible Assets (GRAP 102) – Intangible Assets (Assets without physical substance held for ordinary operational resources).
3. Investment Property (GRAP 16) – Investment Assets (Resources held for Capital or Operational Gain)
4. Biological Assets (GRAP 101) – Biological Assets (Livestock and plants held)
5. Assets classified as held-for-Sale (GRAP 100) – Assets held-for-sale (Assets identified to be sold in the next 12 months and reclassified as Inventory)

Challenges

Ownership of the water assets pose a threat to ADM as the owners of the land through which ADM infrastructure passes have a tendency to restrict our access to that infrastructure causing obstructions and delays in the service deliver. The major challenge is that no registered servitudes exist over those land..

T 5.3.3

Repair and Maintenance Expenditure: Year 2012/13				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	27375	921	35884	-31%
T 5.3.4				

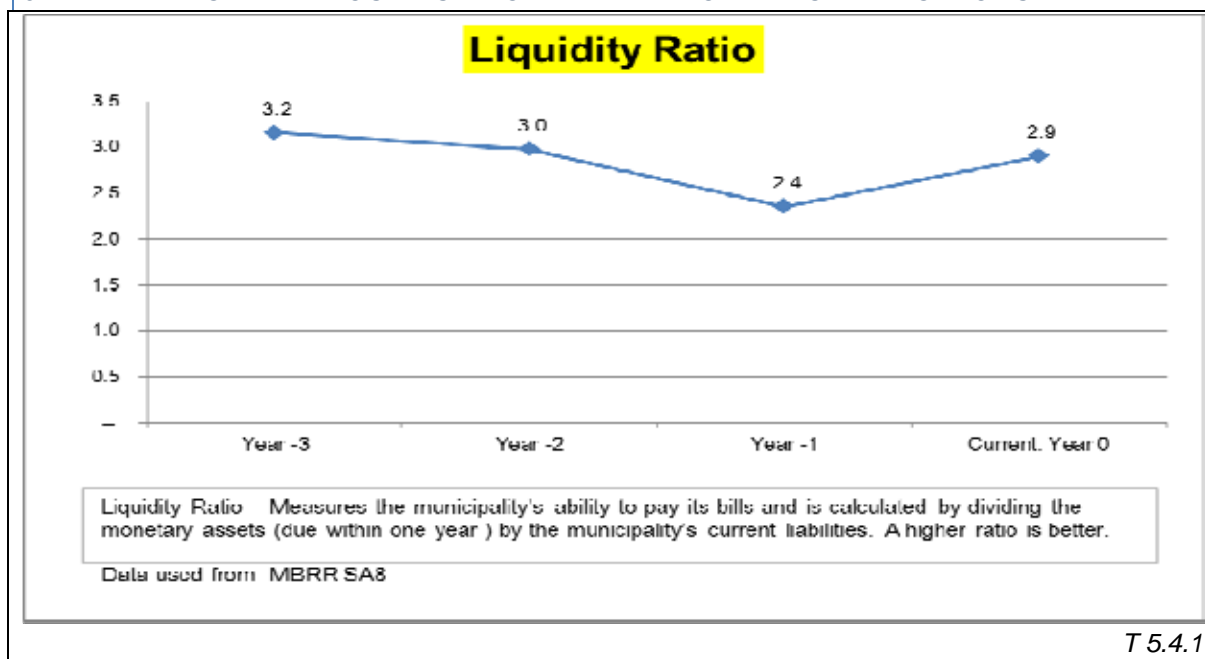
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Budgeting for repairs and maintenance is for both reactive and planned maintenance. It is very difficult to budget accurately for reactive maintenance as it is not possible to predict when infrastructure is going to fail. Nevertheless, adequate budget provision needs to be available in order to attend to problems if and when they occur. As a relatively young Water Services Provider, the ADM is still developing adequate preventative maintenance plans and is also still developing the capacity to accurately budget for these requirements. In this regard the ADM has recently completed the compilation of a comprehensive, componentized asset register and is now in the process of develop asset management plans based on the condition assessment and remaining useful life of this infrastructure.

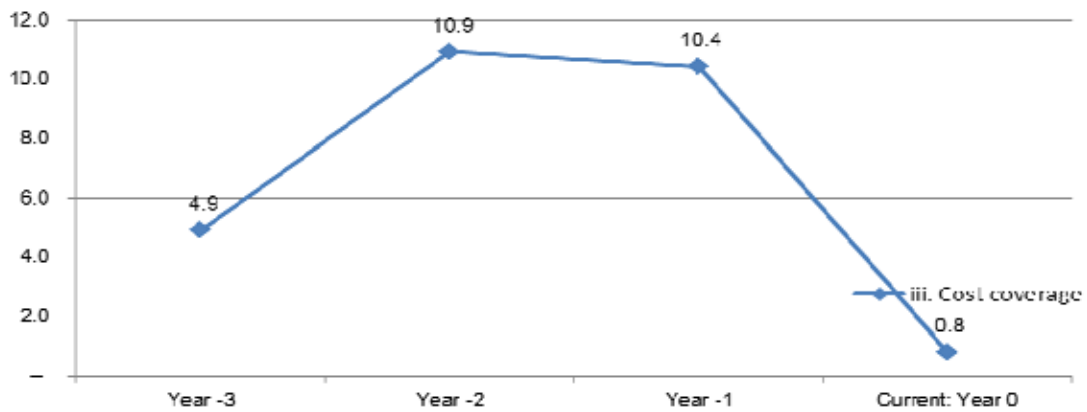
Lengthy procurement processes often delay maintenance activities and in order to address this the ADM is currently in the process of developing 3 year term tenders with critical suppliers and specialist service providers in order to ensure that procurement issues do not delay much needed maintenance.

T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Cost Coverage

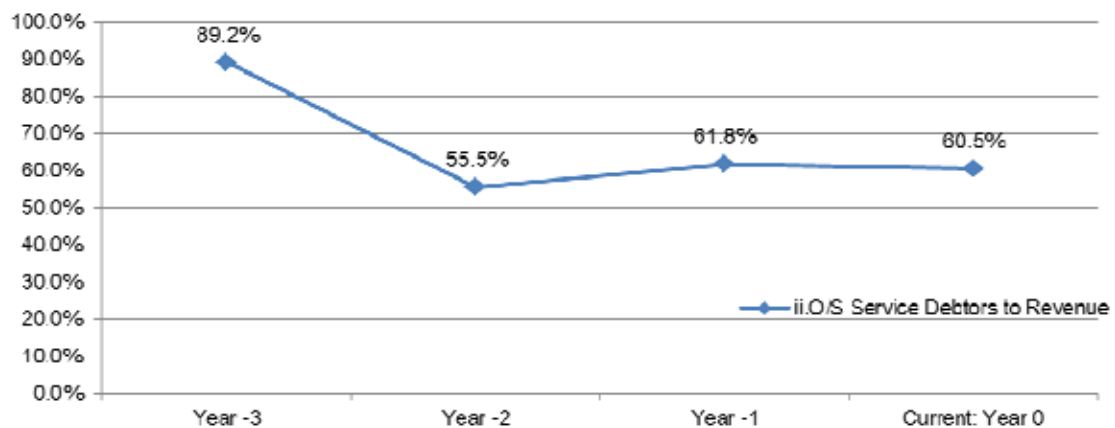


Cost Coverage— It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

Total Outstanding Service Debtors

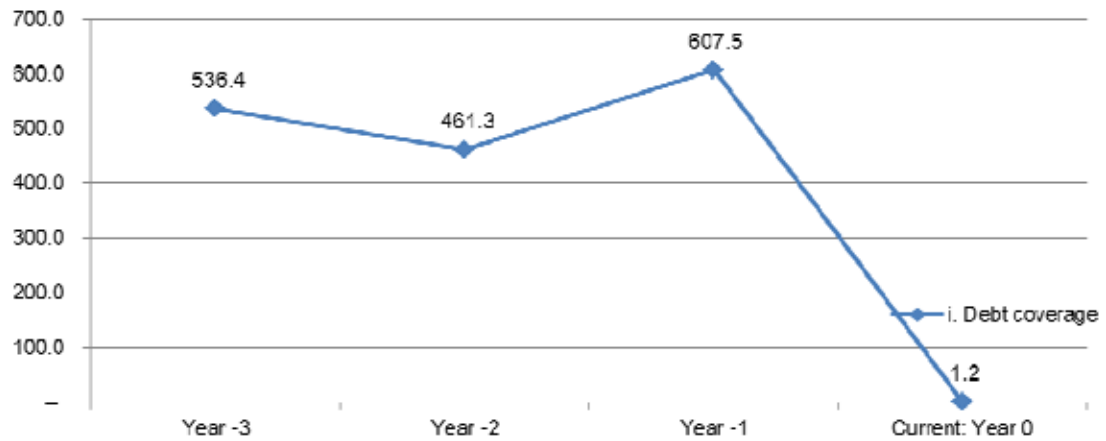


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.3

Debt Coverage

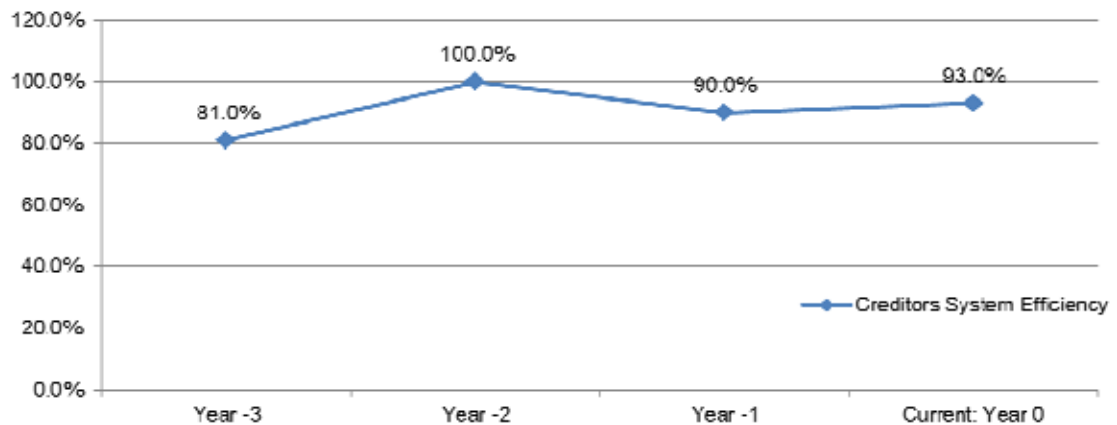


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency

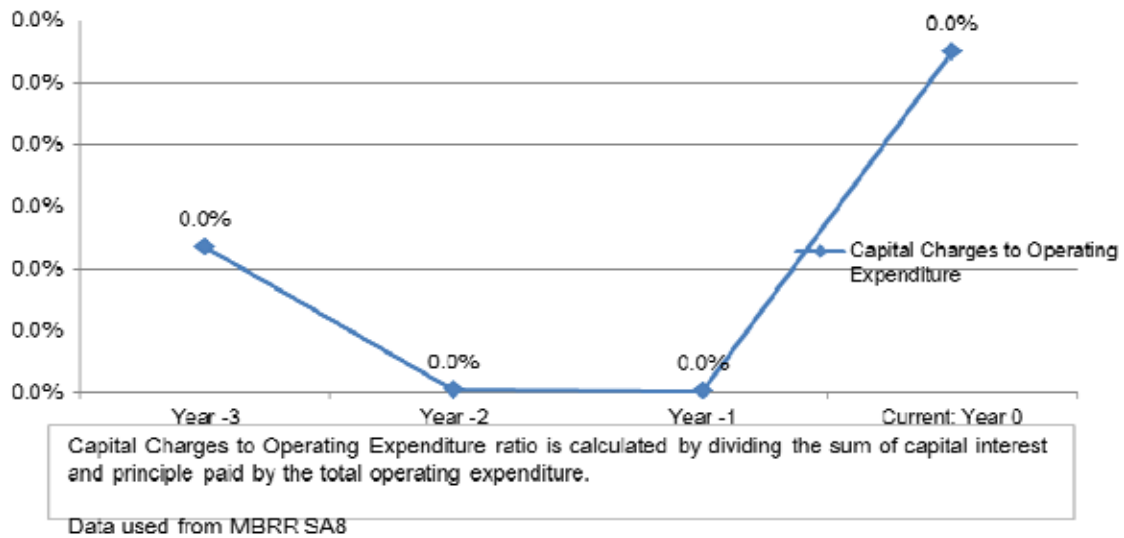


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

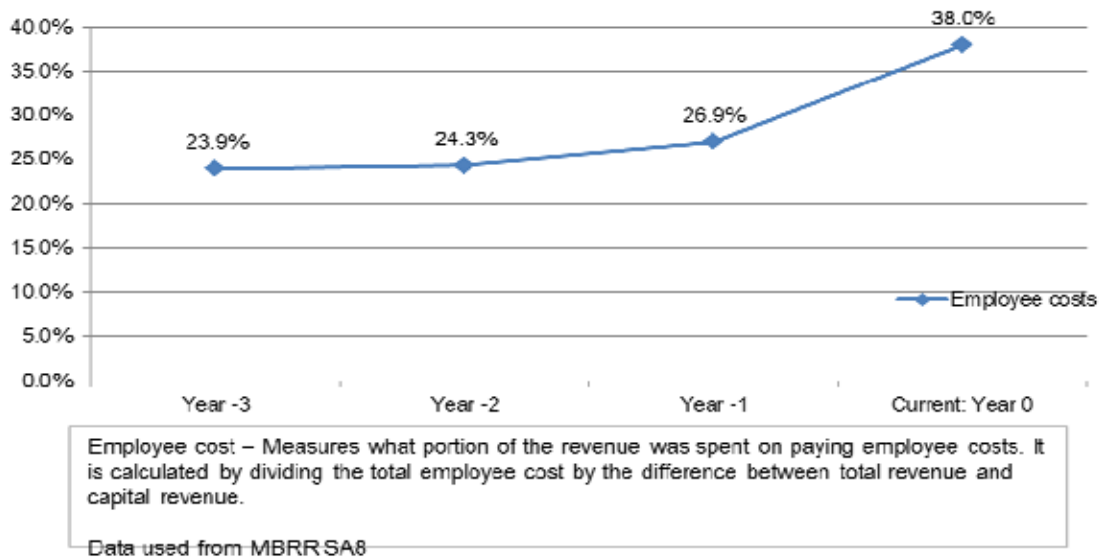
T 5.4.5

Capital Charges to Operating Expenditure



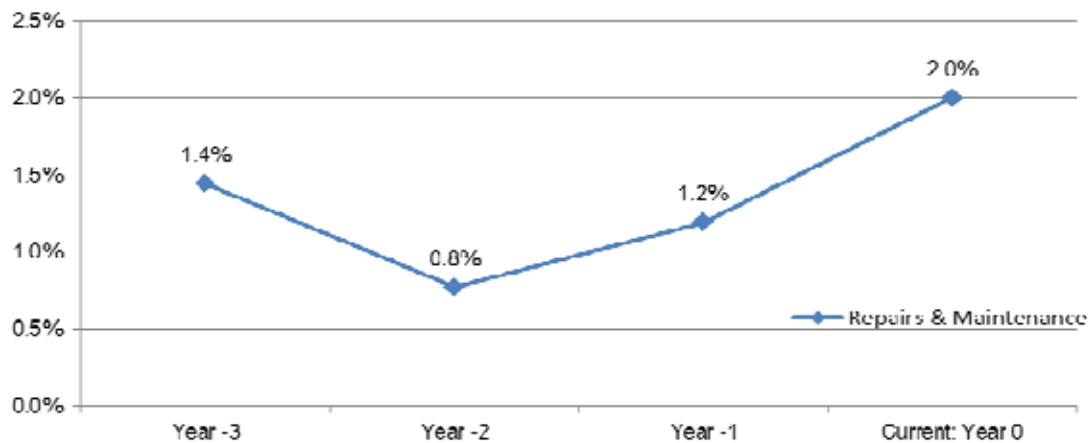
T 5.4.6

Employee Costs



T 5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity

This ratio measures the municipality's ability to pay its debts when due and is calculated by dividing the total current assets by current liabilities. The higher the ratio the better.

The ADM has maintained a current ratio above the norm of 2:1 for 2012/13 thus implying that the municipality is able to pay debts in the short term.

The Amathole District municipality reflects a strong liquidity ratio meaning that is able to pay its debts when they fall due. This ratio has been fairly consistent in the prior years, but has decreased in the current year .due to an increase in the current liabilities.

Cost coverage

The municipality's available cash is sufficient to cover its operating costs. The cash situation of the municipality is healthy due to good financial management

Collection rates

The collection rate measures how much money is owed by the municipality by its consumers for water, sanitation and fire services within the District. It is calculated by divided the total revenue collected versus the total billing of services. A higher ratio is better.

The collection rate target was 50% for the 2012/13 financial, however as at 30th June 2013, the actual collection rate was only 38%. One of the major causes of the variance is a high level of unregistered indigent consumers.

Debt coverage

The municipality has a very low debt gearing. The ADM does not have any external debt except in the form of finance lease obligations for office equipment in accordance with GRAP 13 on leases. The ADM is thus able to repay its debt obligations when due.

Creditors efficiency

The municipality reflects a ratio of 93% and has improved monitoring of this ratio. The ratio must be compared to the municipality's credit terms which it receives from suppliers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest free. Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period.

Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative timeframes, i.e. payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA.

Capital charges to operating expenditure

This ratio is an indication of capital charges in relation to operating expenditure. This ratio could be used to assess the cost/extent of financing. The cost of capital includes finance costs and depreciation.

This ratio is very low as the only finance and capital payments are as a result of finance lease payments. The municipality rents copiers and fax machines. These lease agreements are classified as finance leases in accordance with GRAP 13: Leases (applicable accounting standard). The municipality only has finance lease obligations and no external borrowings, hence the ratio is below 1%. The ratio is consistent from year to year. The finance charges recognized are in accordance with the GRAP standard on leases.

Employee costs

This ratio measures what percentage of the total operating budget was spent on paying employee costs. It is calculated by dividing the total employee cost by the total operating costs.

The municipality is to determine what ratio is most suitable to suit its operational requirements to ensure optimal service delivery.

The budgeted ratio is 36% with the actual being 38%. This is reasonable for the municipality.

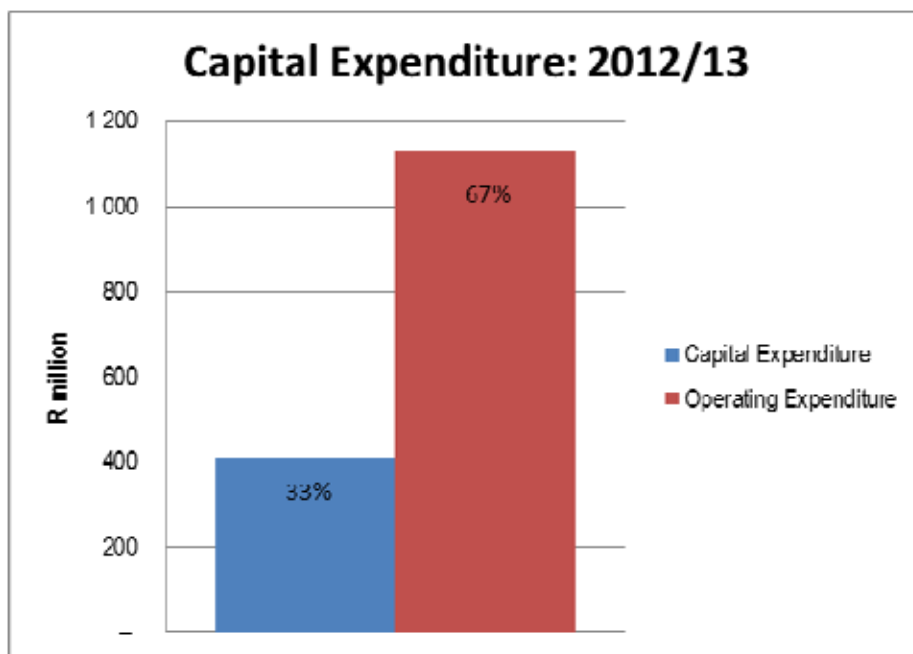
Repairs and maintenance

Currently the ratio is very low. The amount of repair expenditure will depend on the age of the assets. It is anticipated that this rate will increase due to age of the infrastructure assets. The ratio can be used to assess whether asset management is effective or not.

T 5.4.9

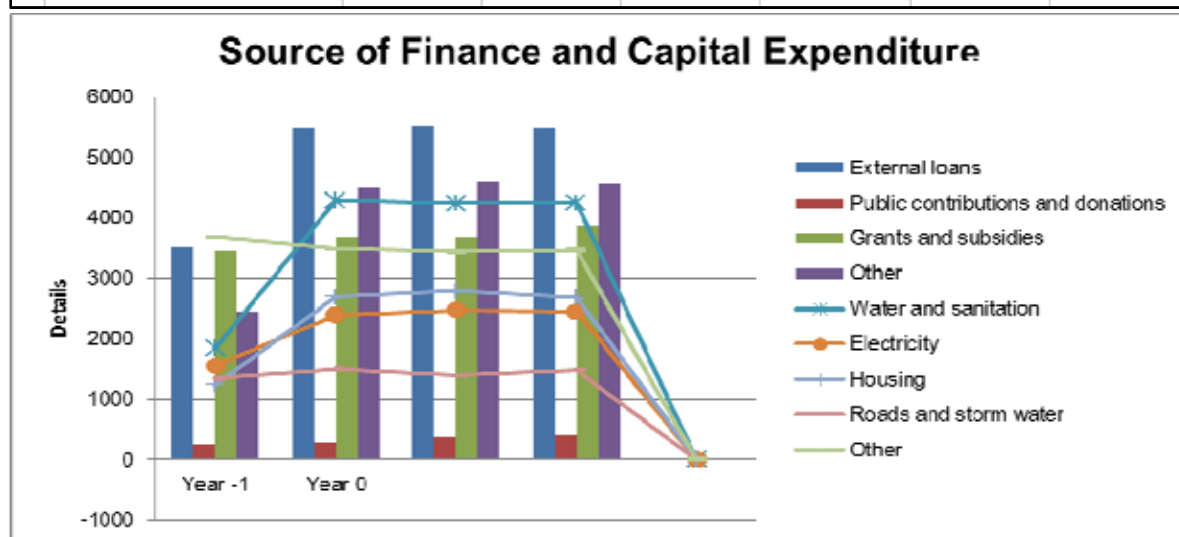
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year 2011/12 to Year 2012/13						
R' 000						
Details	Year 2011/12	Year 2012/13				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	-	-			
Public contributions and donations	-	-	-			
Grants and subsidies		459 560	459 560		0.00%	-100.00%
Other		52 281	52 281		0.00%	-100.00%
Total	-	511 841	511 841	-	0.00%	-200.00%
Percentage of finance						
External loans		0.0%	0.0%			0.0%
Public contributions and donations		0.0%	0.0%			0.0%
Grants and subsidies		89.8%	89.8%			50.0%
Other		10.2%	10.2%			50.0%
Capital expenditure						
Water and sanitation		431 820	431 820		0.00%	-100.00%
Electricity	0	0	0			
Housing	0	0	0			
Roads and storm water	0	0	0			
Other	-	80 021	80 021		0.00%	-100.00%
Total	-	511 841	511 841	0	0.00%	-200.00%
Percentage of expenditure						
Water and sanitation		84.4%	84.4%			50.0%
Electricity		0.0%	0.0%			0.0%
Housing		0.0%	0.0%			0.0%
Roads and storm water		0.0%	0.0%			0.0%
Other		15.6%	15.6%			50.0%
T 5.6.1						



COMMENT ON SOURCES OF FUNDING:

Capital Budget is predominantly funded by Grants and Subsidies, with the two biggest grants being MIG and RBIG. Other sources of funds include Rural Roads Asset Management Grant, NDPG, and a minor amount from own cash reserves. No loan capital.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects					
Name of Project	Current Year 0			Variance:Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
A-Name of Project	26,000	26,500	25,700	1%	-2%
B-Name of Project	19,500	19,750	19,900	-2%	-1%
C-Name of Project	15,700	15,700	15,500	1%	0%
D-Name of Project	12,000	11,800	11,700	3%	2%
E-Name of Project	11,500	11,000	11,250	2%	4%
Projects with the highest capital expenditure in Year 0					
Name of Project -A	Centane Sanitation Project Feasibility				
Objectiv of Project	Feasibility Study				
Delays	Strikes				
Future Challenges					
Anticipated citizen benefits	Centane Community				
Name of Project -B	Mbhashe North Water Supply				
Objectiv of Project	Water Supply				
Delays	Strikes				
Future Challenges					
Anticipated citizen benefits	Mbhashe Community				
Name of Project -C	Ncwasa Water Supply				
Objectiv of Project	Water Supply				
Delays	Strikes				
Future Challenges					
Anticipated citizen benefits	Zinqayi Community				
Name of Project -D	Ibika Water Feasibility				
Objectiv of Project	Water Supply				
Delays	Strikes				
Future Challenges					
Anticipated citizen benefits	Ibika Community				
Name of Project -E	Xora Regional WS Phase 1B				
Objectiv of Project	Water Supply				
Delays	Strikes				
Future Challenges					
Anticipated citizen benefits	Xora Community				

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Owing to the rural nature and Grant dependency of the ADM, there are still significant water and sanitation backlogs in the former homeland areas. The pace of the eradication of these backlogs is entirely dependent on funding allocations from National Treasury through the respective Grant allocations. The newly established Municipal Water Infrastructure Grant (MWIG) will assist in ensuring that all communities have access to at least a safe water supply by 2016, even if these water systems

do not meet RDP standards. The Municipal Infrastructure Grant (MIG) will be used to eradicate the sanitation backlog. The ADM is currently on track to ensure that all households are equipped with at least a basic level of sanitation by 2017.

The MIG grant is also being used to eradicate the water backlog and ensure that all households have access to a RDP level of service. While the ADM still needs to provide water and sanitation services to all those currently not served, other challenges being faced are expanding villages, the demand for higher levels of service as well as old and dilapidated infrastructure.

Since the MIG is primarily being used to eradicate backlogs, the ADM has to rely on limited internal funding for extensions, upgrades and asset renewal. This is a major cause for concern as the ADM has insufficient internal funding to adequately keep pace with these additional infrastructure requirements which therefore results in a growing backlog in these areas. Effective asset management, such as preventive maintenance will be key to prolong the life of ageing infrastructure.

T5.8.1

Service Backlogs as at 30 June Year 2013				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	157 369	65.57%	82 631	34.43%
Sanitation	104 708	43.36	135 292	56.37%
Electricity				
Waste management	N/A	N/A	N/A	N/A
Housing	246 061	43.7	138 460	14.31
<i>% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.</i>				

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 2012/13 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust- ments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water	253 303		245 659	%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation	132 483		135 694	%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management	500		229	%	%	
Transportation				%	%	
Gas				%	%	
Other Specify: Operational PMU	3 500		4 518	%	%	
Other			555	%	%	
				%	%	
				%	%	
Total	389 786		377 619	%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water, Sanitation, Roads, Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.8.3

COMMENT ON BACKLOGS:

Municipal Infrastructure Grant is a conditional grant that is issued to municipalities based on powers and functions to address all related backlog. Amathole District Municipality being a water service authority is responsible for all water and sanitation mandates of the district. The grant therefore aims to address all water and sanitation backlog within the district. The grant is regulated through the Division of Revenue Act (DORA) which is gazetted yearly to indicate the allocations to be given to each municipality on a 3 year Medium-Term Expenditure (MTEF) framework. The municipality therefore has a three year window to plan accordingly for the implementation of projects that aim to address the identified backlog.

The ADM for the 2012/13 financial year received a MIG allocation of R389 786 000.00. An amount of R377 619 767.00 was spent from this allocation representing 96.88% of spent MIG allocation. The remaining balance of R12 166 233.00 was rolled over to this current financial year of 2013/14. The expenditure incurred for the 2012/13 FY was to address the water and sanitation backlog as identified in the IDP.

MIG only implements projects to address household backlog and the mandate for addressing backlog in schools and clinics lies with the departments of education and health respectively. Therefore the above indicated allocation only addressed backlog in relation to households

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's consistently strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. This has contributed to the municipality receiving a favourable credit rating.

The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The district municipality received an unqualified audit opinion for the financial year ended 30 June 2011 and 30 June 2012.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year 2011/12	Current: Year 2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	72,756	(393,170)	511,224	140,133
Government - operating	–	(613,317)	459,560	–
Government - capital	1,021,517	(459,560)	613,317	1,138,418
Interest	66,533	(54,394)	54,394	61,365
Payments				
Suppliers and employees	(664,350)	853,776	(736,054)	(910,440)
Finance charges	(419)	32	(32)	(163)
Other and Taxation paid	(83,156)			(60,848)
NET CASH FROM/(USED) OPERATING ACTIVITIES	412,881	(666,634)	902,409	368,464
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	2,540	–	–	685
Decrease (Increase) in non-current debtors	(40)	–	–	(300)
Decrease (increase) in non-current investments	(4,920)	–	–	(976)
Payments				
Capital assets	(340,667)	(511,841)	(512,174)	(533,914)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(343,087)	(511,841)	(512,174)	(534,504)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	173	–	–	–
Increase (decrease) in consumer deposits	(271)	–	–	171
Payments				
Repayment of borrowing	–	–	–	(164)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(98)	–	–	7
NET INCREASE/ (DECREASE) IN CASH HELD	69,696	(1,178,475)	390,235	(166,034)
Cash/cash equivalents at the year begin:	314,914	(760,505)	(760,505)	384,611
Cash/cash equivalents at the year end:	384,611	(1,938,980)	1,047,509	218,577

Source: MBRR A7

T 5.9.1

COMMENT ON CASH FLOW OUTCOMES:

Cash flow outcome

The municipality reflects a decrease of R155 million in its cash and cash equivalents for the 2013 financial year. This decrease is as a result of the increase in spending of grant funding received from National government as well as the regarding of the municipality which led to an increase in salaries. The investing activities resulted in a net outflow of cash as a result of the purchase of property, plant and equipment of R550 million. The municipality does not have significant financing activities

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Debt Profile

The Amathole district municipality has settled its long-term loans of roughly R10 million that it inherited when it took over the water and sanitation function from various local municipalities in its jurisdiction in 2007. Amathole's only long-term debt is in respect of financial lease obligations for copiers and fax machines totalling only R0.6 million. The district does not plan to raise any loans in the medium-term.

T 5.10.1

Actual Borrowings: Year 2012 to Year 2013			
R' 000			
Instrument	Year 2011	Year 2012	Year 2013
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	1041	770	606
PPP liabilities			
Finance Granted By Cap Equipment Supplier (Operating lease liability)	286	472	348
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1 327	1 242	954
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier (Operating lease liability)	33	54	29
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	33	54	29

T 5.10.2

Municipal and Entity Investments			
Investment* type	Year 2010/11	Year 2011/12	R' 000
	Actual	Actual	Year 2012/13 Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	466,190	471,109	472,085
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	466,190	471,109	472,085
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	466,190	471,109	472,085

T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

Debt profile

The finance lease obligations are recognized in accordance with the GRAP standards and pertain to the rental of office machines.

Investment profile

The municipality has R460 million capital invested in five reputable financial institutions, earning interest of R26 million at an average of 5.42%.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Municipality is in the initial stages concluding a PPP agreement to build Municipal offices. A transactional advisor has been appointed and the initial Treasury Approvals to enter into a PPP has been obtained. It is envisaged that a PPP will be concluded in the new financial year.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council. During the reviewal process undertaken during the 2011/2012 financial year, it became apparent that certain issues needed to be included in the SCM Policy, inter alia, the revised Preferential Procurement Regulations of 2011 released by National Treasury aligning the Regulations with the aims of the Broad-Based Black Economic Empowerment Act and its associated Codes of Good Practice. The revised Preferential Procurement Regulations was implemented on 7 December 2011. The policy has since been reviewed and adopted by Council.

Section 117 of the MFMA states that: "No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer." The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Rules and procedures governing the functioning of the abovementioned bid committees were developed and implemented. Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: "The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management." The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management. The Head of Supply Chain Management, Manager : Acquisitions and Demand and the Manager : Contracts is still busy with the Minimum Competency Training.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality has prepared fully GRAP compliant annual financial statements.

T 5.13.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The accounting officer of the municipality is responsible for the preparation and fair presentation of the annual financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act No. 56 of 2003 (MFMA) and for internal controls that management determines necessary to enable the annual financial statements to be prepared free from material misstatements whether due to fraud or error.

The Constitution S188 (1) (b) and section 4 of the Public Audit Act of South Africa No. 25 of 2004 states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2011/12 (PREVIOUS YEAR)

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

The audit report for the 2011/12 financial was issued by the Office of the Auditor General on 7 December 2012.

Auditor-General Report on Financial Performance 2011/12	
Status of audit report: Unqualified audit opinion with no emphasis of matter but with non-compliance with laws and regulations	
Non-Compliance Issues	Remedial Action Taken
Budgets Not all the monthly budget statements were submitted within the required timeframes to the mayor and relevant provincial treasury, as required by section 71(1) of the MFMA	An MFMA compliance checklist is being complied and will be monitored to assist in ensuring compliance with legislated timeframes.
Annual financial statements, performance report and annual report The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA as material misstatements of capital	The municipality has identified activities to address the findings on capital assets, payables, receivables, expenditure and disclosures. These activities include improving business processes for the construction of infrastructure projects, in so doing to maintain a complete and accurate commitments register, work in progress register and retention register.

Chapter 6

assets, payables, receivables, expenditure and disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	The asset management strategy and policy will be reviewed to ensure that all expenditure is correctly capitalised. Reconciliations of all control and suspense accounts will be scrutinised to ensure that all reconciling and long outstanding items are identified and resolved.
<p>Expenditure management</p> <p>Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA</p> <p>The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.</p>	<p>The receipt of invoices is centralised at the Budget and Treasury office so as to maintain a register of invoices in order to track progress during the 30 day payment period.</p> <p>A policy for the Irregular, fruitless and wasteful and unauthorised expenditure has been developed. Procedures are in place to prevent, detect and rectify irregular expenditure.</p>
<p>Conditional grants</p> <p>The municipality did not submit the last quarter's performance reports to the transferring national officer, the relevant provincial treasury and the National Treasury within 30 days after the end of the quarter, as required by section 12(2)(c) of DoRA.</p> <p>The municipality did not submit an evaluation of its performance in respect of programmes or functions funded or partially funded by an allocation to the transferring national officer within two months after the end of the financial year, as required by section 12(6) of DoRA</p>	<p>These performance reports are received for verification from Treasury. The municipality will verify all quarterly performance reports and submit to Treasury.</p> <p>Processes are being established to ensure that all grants, stated in section 12(6), performance is evaluated and a report is sent to the transferring national officer within the legislated timeframes. The project managers of these grants have been informed of this DoRA requirement.</p>

6.1.1

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION YEAR0 (2012/13)

6.2 AUDITOR GENERAL REPORTS YEAR 0 (2012/13)

Amathole District Municipality received an Unqualified audit opinion for the year 2012/13.

6.2.1 AUDITOR-GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE AMATHOLE DISTRICT MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Amathole District Municipality set out on pages ... to ... , which comprise the consolidated and separate statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the budget statement and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance South African Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for

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my unqualified audit opinion.

Opinion

6. In my opinion the financial statements present fairly, in all material respects, the financial position of the Amathole District Municipality as at 30 June 2013, and their financial performance and cash flows for the year then ended in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA.

Additional matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

8. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected [programmes/ objectives/ development priorities or objectives¹] is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

12. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

13. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My

findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

¹

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Annual financial statements, performance and annual reports

14. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Conditional grants

15. The municipality did not submitted, within 10 days after the end of each month, its monthly expenditure reports to the national department (CoGTA), as required by the Division of Revenue Grant Framework, Gazette No.35399.

Human resource management and compensation

16. Managers directly accountable to municipal managers were appointed without submitting disclosure of financial interests prior to appointment as per the requirements of regulation 4 of GNR 805.

Expenditure Management

17. Reasonable steps were not taken to prevent irregular, fruitless and wasteful expenditure, as required by section 62(1)(d)/ 95(d) of the Municipal Finance Management Act

Internal control

27. I considered internal control relevant to my audit of the financial statements, [name of performance report] and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

28. Senior management members did not adequately exercise their oversight responsibility over financial reporting, compliance and related internal controls. This was the result of not adequately monitoring the functioning of internal controls, in year reporting and progress with the audit action plan. As a result non compliance with the MFMA and DoRA, substantial updating of records and corrections occurred only during the preparation of the financial statements and the audit process.

Financial and performance management

29. The excessive reliance by management on both the consultants and the audit process to achieve fair presentation did not create a sustainable platform for achieving clean administration. The systems for assets, capital commitments, retentions and accounts receivable impairment was not kept up to date and verified during the year had to be corrected during the audit process.
30. The entity did not have adequate processes and assignment of responsibilities to ensure compliance with all applicable laws and regulations. As a result, there were instances of non-compliance with the MFMA and DoRA.

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Governance

18. Although internal audit and audit committee meet regularly throughout the year, they were not effective in strengthening the control environment within the municipality as material misstatements in the AFS and material non-compliance findings were identified during the audit.

6.3 AUDIT COMMITTEE REPORT

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

We are pleased to present our report for the financial year ended 30 June 2013.

INTRODUCTION

Amathole District Municipality benefits from the Finance Management Grant (FMG), which carries a condition that requires full implementation of the Municipal Finance Management Act 56 of 2003. It is therefore expected to follow the annual reporting process as per the said Act and in line with National Treasury circulars and regulations.

This report was prepared and submitted in terms of the provisions of sections 121(3)(j), 166(2)(b) and (c) of the Municipal Finance Management Act, No 56 of 2003.

The Audit Committee is legislatively required to meet at least four (4) times during a financial year. During the year under review the audit committee was comprised of the members as set out in the table below:

Name	Portfolio
Miss T. Mnqeta	Chairperson
Mr M .Sibam	Member
Mr H.J. Marsberg	Member

The audit committee held meetings on the following dates;

29 November 2012
25 April 2013
26 February 2013
27 June 2013
27 August 2013
10 October 2013

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TERMS OF REFERENCE

The Audit Committee has adopted appropriate terms of reference which are encapsulated in an Audit Committee charter and is operating in accordance with them. The Audit Committee is of the view that it substantially fulfilled its responsibilities contained in the said Charter and has contributed to the maintenance of effective corporate governance within the Amathole District Municipality during the financial year under review.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

We have:

- Reviewed and discussed the annual financial statements which have been recommended to the Accounting Authority to be submitted to the Auditor General for audit purposes at 27 August 2013.
- Reviewed the Auditor-General South Africa's management report and management's responses thereto;
- Reviewed changes in accounting policies and practices – where applicable;
- Reviewed the entity's compliance with legal and regulatory provisions.
- Reviewed material adjustments resulting from the audit.

ANNUAL AUDIT OF AMATHOLE DISTRICT MUNICIPALITY

The annual audit of the municipality by the Auditor-General of South Africa (AGSA) has been finalised. Audit Committee has recommended that:

- Financial Statements should be prepared in a timely manner
- Risk Action Plan should be more specific
- Monthly accounts should be more accurate and be on accrual basis
- That AGSA compliance findings must be acted upon by the CFO to avoid a repeat thereof
- Suppliers must be paid within 30 days to ensure compliance
- All reports to the Audit Committee must be included in the meeting packs that are circulated to the members before the meeting.

The Audit Committee is optimistic that the steps to be put in place by management will contribute towards overcoming these remaining challenges and to this end we have advised management to draft a plan to correct matters mentioned in the audit report and management report, for oversight by the Audit Committee.

EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control was not entirely effective for the year under review. Deficiencies in Leadership and Financial and Performance Management were identified by the internal auditors and the Auditor-General of South Africa. These deficiencies, we are confident, will be addressed by the leadership of Amathole District Municipality.

INTERNAL AUDIT FUNCTION

The capacity of the Internal Audit function has resulted in a substantial improvement in the performance and value of the unit and the effectiveness of internal control. We are confident that this momentum will carry into the next year. We are satisfied that the internal audit function is operating effectively.

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APPRECIATION

The Audit Committee wishes to thank the Auditor-General of South Africa, the Municipal Manager, the Budget and Treasury Office staff and the Internal Audit Unit for the cordial manner in which this year's audit was conducted, together with the enthusiasm shown by management to address the issues so identified.

On behalf of Amathole District Municipality Audit Committee

Tembela Mnqeta

Date

Audit Committee Chairperson

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

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GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

GLOSSARY

Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and

GLOSSARY

	express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr. S. Janda	FT	RULES COMMITTEE	ANC	100	0
Cllr. N. Konza	FT		ANC	100	0
Cllr. S. Mtintsilana	FT	LOCAL ECONOMIC DEVELOPMENT RULES COMMITTEE	ANC	100	0
Cllr. L. Jacobs	FT	MUNICIPAL FINANCE VIABILITY WOMEN CAUCUS	ANC	95	5
Cllr. P. Finca	FT	LOCAL ECONOMIC DEVELOPMENT	ANC	95	5
Cllr. B. Melitafa	FT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	80	20
Cllr. T. Xundu-Kubukeli	FT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION WOMEN CAUCUS	ANC	95	5
Cllr. S. Genu	FT	BASIC SERVICE AND INFRASTRUCTURE INVESTMENT	ANC	95	5

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Cllr. E. Madikane	FT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	95	5
Cllr. M. Memani	FT	-	ANC	100	0
Cllr. M. Bikitsha	FT	MUNICIPAL FINANCE VIABILITY	ANC	100	0
Cllr. P. Billie	FT	BASIC SERVICE AND INFRASTRUCTURE	ANC	95	5
Cllr. M. Papu	FT	LOCAL ECONOMIC DEVELOPMENT WOMEN CAUCUS RULES COMMITTEE	ANC	85	15
Cllr. N. Nyalambisa	FT	MUNICIPAL FINANCE VIABILITY	ANC	95	5
Cllr. N. Mgidlana	FT	MUNICIPAL PUBLIC ACCOUNTS WOMEN CAUCUS RULES COMMITTEE	ANC	90	10
Cllr. Z. Kabane	FT	MUNICIPAL PUBLIC ACCOUNTS	ANC	90	10
Cllr. W. Duna	FT	MUNICIPAL PUBLIC ACCOUNTS	COPE	100	0
Cllr. E. Malgas	FT	LOCAL ECONOMIC DEVELOPMENT MUNICIPAL FINANCE VIABILITY RULES COMMITTEE	COPE	95	5
Cllr. W. Ward	FT	MUNICIPAL PUBLIC ACCOUNTS	DA	90	10
Cllr. V.V. Mkosana	FT	LOCAL ECONOMIC DEVELOPMENT RULES COMMITTEE	UDM	90	10
Cllr. N. Dyani	PT	BASIC SERVICES	ANC	90	10

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		AND INFRASTRUCTURE INVESTMENTS			
		WOMEN CAUCUS			
Cllr. L. Bangani	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	95	5
Cllr. N. Mentoor	PT	LOCAL ECONOMIC DEVELOPMENT	ANC	100	0
Cllr. T. Ngaye	PT	MUNICIPAL TRANSFORMATION ORGANISATIONAL DEVELOPMENT	ANC	100	0
Cllr. M. Rawana	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	100	0
Cllr. L. Sinyongo	PT	BASIC SERVICES AND INFRASTRUCTURE	ANC	95	5
Cllr. S. Macakela	PT	MUNICIPAL TRANSFORMATIO AND ORGANISATIONAL DEVELOPMENT	ANC	95	5
Cllr. T. Dwanya	PT	LOCAL ECONOMIC DEVELOPMENT	ANC	90	10
Cllr. T. Manxila	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	80	20
Cllr. G. Ngqongolo	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	95	5

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Cllr.N. Plaatjie	PT	MUNICIPAL FINANCE VIABILITY WOMEN CAUCUS RULES COMMITTEE	ANC	90	10
Cllr. N. Tyala	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	90	10
Cllr. Z. Solontsi	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS WOMEN CAUCUS	COPE	90	10
Cllr. T. Dyani	PT	MUNICIPAL FINANCE VIABILITY	UDM	90	10
Cllr. T. Ntanga	PT	MUNICIPAL FINANCE VIABILITY	ANC	100	0
Cllr. N. Ndabazonke	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	ANC	85	15
Cllr. S. Jali	PT	MUNICIPAL FINANCE VIABILITY	ANC	85	15
Cllr. M. Siwisa	PT	MUNICIPAL PUBLIC ACCOUNTS RULES COMMITTEE	ANC		
Cllr. N. Mfecane	PT	LOCAL ECONOMIC DEVELOPMENT	ANC	50	50
Cllr. X. Baleni	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	85	15

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Cllr. N. Benya	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	85	15
Cllr. N. Magatya	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	80	20
Cllr. N. Nonjaca	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT WOMEN CAUCUS	COPE	80	20
Cllr. M. Tetyana	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS GOOD GOVERNANCE AND PUBLIC PARTICIPATION	UDM	95	5
Cllr. N. Nkunkuma	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	ANC	90	10
Cllr. X. Roji	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	90	10
Cllr. P. Qaba	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	95	5
Cllr. N. Mkosana	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION WOMEN CAUCUS RULES COMMITTEE	COPE	70	30
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					<i>T A</i>

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
1. Municipal Transformation and Organizational Development Committee	To assist the Executive Mayor in her responsibility to monitor the management of the municipality's administration in accordance with the directions of Council.
2. Economic Development Committee	To assist the Executive Mayor in her responsibilities to identify the social and economic needs of the municipality
3. Basic Services and Infrastructure Investment Committee	To assist the Executive Mayor in her responsibility to oversee the provision of services to communities in a sustainable manner.
4. Municipal Finance Viability	To assist the Executive Mayor in her responsibilities to provide political guidance of the fiscal and financial affairs of the municipalities that must guide the preparations of the budget.
5. Good Governance and Public Participation Committee	To assist the Executive Mayor in her responsibility to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
6. Municipal Public Accounts Committee	To ensure Council fulfills its oversight function.
7. Women Caucus	The committee is responsible for dealing with issues affecting Women within the jurisdiction of ADM and also responsible for raising their plight.
8. Rules Committee	It reviews and considers amendments to the Standing Rules of Council

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**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
YEAR 2012/13**

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27/08/2012	Financial Statements should be prepared in a timely manner	Not implemented BTO is in the process of capacitating itself as the department is currently understaffed.
27/06/2013	Risk Action Plan should be more specific	Not implemented
	Monthly accounts should be more accurate and be on accrual basis	Not implemented
29/11/2012	That AGSA compliance findings must be acted upon by the CFO to avoid a repeat thereof	Not effected as repeat compliance findings are contained in the 12/13 draft management report, resulting in a clean audit outcome not being achieved.
27/6/2013	Suppliers must be paid within 30 days to ensure compliance	Not implemented
Requested at every meeting	All Reports to the Audit Committee must be included in the meeting packs that are circulated to the members before the meeting	Not effected. Late submissions are still distributed at the meetings
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APPENDIX H – LONG TERM CONTRACTS ENTERED INTO DURING YEAR 2012/13

Long Term Contracts (20 Largest Contracts Entered into during Year 2012/13)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Vuba Imagineers	Conversion of "provisional appointment" to a "formal appointment – Mgwali North Water Supply Scheme. [Bid No. 8/2/96/2005]. Price inclusive of VAT.	October 2012	September 2013	Mr Amandla Nquma	R6 370 310.21
Umso Construction (Pty) Ltd	Construction of Ibika-Centane Water Supply Phase 2A: Bulk and Reticulation. [Bid No. 8/2/326/2011-2012]. Price inclusive of 10% contingencies and VAT for the duration of 14 months.	November 2012	December 2013	Mr Sithembele Mgaju	R31 813 606.09
Veolia Water Solutions and Technologies South Africa (Pty) Ltd	Xhora Water Supply Scheme: Installation of electrical, electronic and mechanical services. [Bid No. 8/2/317/2011-2012]. Price inclusive of contingencies and VAT for the duration of 9 months.	October 2012	July 2013	Mr Amandla Nquma	R20 873 619.28
Mamlambo Construction (Pty) Ltd	Ibika-Centane Water Supply Phase 2B: Bulk and reticulation. [Bid No. 8/2/327/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 12 months.	November 2012	October 2013	Mr Sithembele Mgaju	R12 644 145.95
Mamlambo Construction (Pty) Ltd	Ibika-Centane Water Supply Phase 2C: Bulk and Reticulation. [Bid No. 8/2/328/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 12 months	November 2012	October 2013	Mr Sithembele Mgaju	R14 180 445.81
Lejamo Construction	Adelaide and Bedford bucket eradication Phase 4B. [Bid No. 8/2/266/2011-2012] Price inclusive of 10% contingencies and VAT for the duration of 6 months.	November 2012	May 2013	Mr Nyaniso Silinga	R5 331 338.36
Mamlambo Construction (Pty) Ltd	Idutywa East Water Supply Scheme – Contract 7: [Bid No. 8/2/354/2011-2012]. Price inclusive of	March 2013	August 2013	Mr Amandla Nquma	R5 796 315.35

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	10% contingencies, 10% escalation and VAT for the duration of 6 months.				
Khwalo's Construction/ Mandarinina Trading 128 JV	Xhora Water Supply Scheme: Reticulation Phase –Mandindi, Nginza and Tshinirha. [Bid No. 8/2/325/2011-2012]. Price inclusive of contingencies and VAT for the duration of 9 months.	March 2013	November 2013	Mr Amandla Nquma	R6 744 792.97
Mamlambo Construction (Pty) Ltd	Xhora Water Supply: Bulk Pipelines from Res 2A to Res 4 and Reticulation for Botwe, Gongco and Tshinirha-A. [Bid No. 8/2/166/2009-2010]. Price inclusive of 10% contingencies, 7.5% escalation and VAT for the duration of 13 months.	March 2013	February 2014	Mr Amandla Nquma	R10 000 000.00
Tyolumnga Civils cc	Idutywa East Water Supply Scheme – Contract 8 [Bid No. 8/2/355/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 5 months.	March 2013	August 2013	Mr Amandla Nquma	R6 129 373.56
Mazangwa Construction	Ngcizele Water Supply Scheme Phase 2. [Bid No. 8/2/139/2012-2013]. Price including 10% contingencies and VAT for the duration of 6 months.	June 2013	November 2013	Mr Sithembele Mgaju	R7 547 972.98
Umso Construction (Pty) Ltd	Idutywa East Water Supply Scheme Contract 10: [Bid No. 8/2/357/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 12 months.	July 2013	June 2014	Mr Amandla Nquma	R48 772 399.72
Cape Kei Construction Services	Limited bidding- Amahlathi LM: Tsomo Villages Rural Water Supply Scheme Phase 1A. [Bid No. 8/2/140/2011-2012]. Price inclusive of 10% contingencies and VAT for the duration of 6 months.	June 2013	November 2013	Mr Sithembele Mgaju	R6 655 066.57
Town and Around Civils cc	Idutywa East Water Supply Scheme – Contract 9. [Bid No. 8/2/356/3011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 6 months.	June 2013	November 2013	Mr Amandla Nquma	R4 323 132.02
Zana Manzi Services	Xhora Water Supply Scheme Phase: Bulk Pipeline 1 from Tshinirha to Tsholorha B and from Fameni D to Xhwili. [Bid No. 8/2/83/2012-2013]. Price inclusive of 20% contingencies, 7.5% escalation and VAT for the duration of 24 months.	June 2013	May 2015	Mr Amandla Nquma	R39 835 343.07

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Mamlambo Construction (Pty) Ltd	Idutywa East Water Supply Scheme Contract 7. [Bid No. 8/2/354/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 6 months.	June 2013	November 2013	Mr Amandla Nguma	R5 884 539.48
Town and Around Civils cc	Limited bidding: Civil Engineering Works: Xhora Water Supply Scheme: Phase 1A & B Bulk pipelines-1. [Bid No. 8/2/165/2009-2010]. Price inclusive of 10% contingencies, 7% escalation and VAT for the duration of 12 months.	August 2013	July 2014	Mr Amandla Nguma	R39 200 342.46
Cape Kei Construction Services	Civil Engineering Works: Sundwana Water Supply – Phase 3C. [Bid No. 8/2/101/2012-2013]. Price inclusive of 10% contingencies and VAT for the duration of 8 months.	August 2013	March 2014	Mr Amandla Nguma	R9 131 972.85
Mazangwa Construction	Civil Engineering Works: Sundwana Water Supply – Phase 1C. [Bid No. 8/2/100/2012-2013]. Price inclusive of 10% contingencies and VAT for the duration of 10 months.	August 2013	May 2014	Mr Amandla Nguma	R9 315 670.06
Buffalo Toyota	Procurement of 52 vehicles for ADM. [Bid No. 8/2/227/2012-2013] Price including VAT	April 2013	June 2013	Mr Mawonga Sibefu	R16 386 090.09
Zisamanzi Consulting Engineers cc t/a Maluti GSM	Conversion of “provisional and reduced appointment” to a “formal appointment” – Tsomo Villages Regional Water Supply. [Bid No. 8/2/52/2010-2011]. Price including VAT	April 2013	March 2014	Mr Sithembele Mgaju	R19 194 623.46
Matemba Civils Amatole cc	Idutywa East Water Supply Scheme – Contract 6. [Bid No. 8/2/353/2011-2012]. Price inclusive of 10% contingencies, 10% escalation and VAT of the duration of 7 months.	April 2013	October 2013	Mr Amandla Nguma	R16 133 319.36

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APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0 2012 -2013		Year 1 2013 - 2014			Year 2	Year 3	
	(b) Service Targets	Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<i>Amathole Economic Development Agency</i>	<u>Small Town Enhancement</u> Infrastructure projects	3-5 new projects	2 new projects		3 new projects				
	Funding applications	8-10 apps submitted	26 apps submitted						
	Temporary employment	60-80 temp posts	82 temp posts						
	Budget expended	R24-R28.5 million spent	R58.7 million spent						
	People trained	10-20 people trained	23 people trained						
	Funding Raised	R40-45 million raised	R40.5 million raised		R50 million				
	<u>Corridor Development</u> Funding applications	4-6 apps submitted	10 apps submitted						
	Budget expended	R8-10 million spent	R1.8 million spent						
	Temporary employment	35-45 temp posts	51 temp posts						
	Funding Raised	R35-45 million raised	R9.4 million raised						

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	<u>Enterprise Development</u> Emerging business support	2-3 emerging business	8 emerging businesses						
	Entities established	1-2 entities established	2 entities						
	<u>Research and Knowledge</u> To develop evidence based material to contribute to policy guidelines by undertaking research activities	Monitoring and evaluation system implemented to measure project impact in small towns	Pilot project implemented						
	<u>Corporate Governance and corporate management</u> To conduct the agency with integrity and in accordance with generally accepted good corporate practices by managing the organisation in terms of legislation and best practice	Unqualified audit Budget submitted Mid year performance report submitted Annual report submitted in accordance with MFMA Monthly management accounts submitted to ADM Performance management assessments undertaken half yearly	Unqualified audit Budget submitted Performance report submitted Annual report submitted Management accounts submitted Performance assessments completed		A clean audit Compliance management system in place Updated and reviewed policies Skills audit gap analysis and training implemented				

Contents

		Compliance with internal audit plan	Internal audit plan complied with		Effective risk management process in place				
		Risk management assessment undertaken annually	Risk management assessment completed						
		Statutory returns filed	Returns filed						
	<u>Rural Community Clusters</u>				1 Pilot project				
	Community clusters				1 Pilot project				
	Internet access				4 food security projects				
	<u>Agriculture</u>				2 commercial production projects				
	Food security				1 fish farming project				
	Commercial production				1 cultural precinct				
	Marine farming								
	<u>Heritage and Tourism</u>								
	Cultural precinct								
	<u>The preferred investment and development partner</u>				Develop brand strategy				
					Develop investor promotion strategy				

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APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 12/13 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Municipal Manager	N.C.MAGWANGQANA	NIL
Chief Financial Officer	N.SOGA	NIL
Other S57 Officials		
Director: Corporate Services	L.TALENI	NIL
Director: Health and Protection Services	S.TALENI	NIL
Strategic Manager	R.LINKS	NIL
Director: Land Human Settlements and Economic Development	M.GABA	NIL
Director: Legislative and Executive Support Services	L.SIMANGA	NIL
Director: Engineering	M.SHEZI	NIL
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A TJ		

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APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

	R'000					
Vote Description	Year 2011/12	Current: Year 2012/13			Year 2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
<u>WATER</u>						
Basic Water	-18 570 003.13	-19 764 861.00	0.00	-33 431 507.19	41%	100%
Water Availability charges	-6 137 113.08	-6 600 083.00	0.00	-6 096 560.20	-8%	100%
Flat Rate	-556 688.77	-363 258.00	0.00	-660 750.93	45%	100%
Water Sales	-74 468 323.41	-62 823 016.00	0.00	-110 702 219.77	43%	100%
<u>SANITATION</u>						
Basic Sanitation	-922 963.58	-9 827 238.00	0.00	-364 874.48	-2593%	100.00%
Sewerage Charges	-59 836 949.18	-54 564 695.00	0.00	-71 164 413.14	23%	100.00%
Availability Charges	-9 011 970.99	-4 379 880.00		-10 624 274.32	59%	100.00%
<u>FIRE</u>						
Fire Availability	-672 004.75	-707 068.00	0.00	-690 586.15	-2.39%	100.00%
Fire Service Levy	-2 453 142.20	-2 548 001.00	0.00	-2 557 072.12	0.35%	100.00%
Fire Safety Inspection fee	-17 159.16	-13 923.00	0.00	-18 976.46	26.63%	100.00%
Fire Safety Inspection & Certificates	0.00	0.00	0.00	-1 120.00	100.00%	100.00%
Total Revenue by Vote	-172 646 318.25	-161 592 023.00	0.00	-236 312 354.76	32%	100.00%
<p>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3.</p> <p style="text-align: right;">T K.1</p>						

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source

Vote Description	R'000					
	Year 2011/12	Current: Year 2012/13			Year 2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Property rates						
Service Charges - water revenue	-99 732 128.39	-89 551 218.00	0.00	-150 891 038.09	41%	100%
Service Charges - sanitation revenue	-69 771 883.75	-68 771 813.00	0.00	-82 153 561.94	16%	100%
Service Charges - refuse revenue						
Service Charges - other (Fire)	-3 142 306.11	-3 268 992.00	0.00	-3 267 754.73	-0.04%	100%
Rentals of facilities and equipment						
Dividends received						
Fines						
Licences and permits						
Agency services						
Transfers recognised - operational						
Other revenue						
Gains on disposal of PPE						
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	-172 646 318.25	-161 592 023.00	0.00	-236 312 354.76	32.00%	100%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. TK. 2

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APPENDIX L – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	64 156	32 940	32 940	31 216	0	The budget was reduced by National Treasury during the financial year. Full amount transferred to ASPIRE, the municipal entity.
Public Transport Infrastructure and Systems Grant	0					
<i>Other Specify:</i>						
Rural Roads Asset Management System	1 776	747	2 522	746	0	Intended for Local Municipalities
Water Services Operating Subsidy Grant	18 281	0	18 281	0	0	
Municipal Systems Improvement Grant	1 000	0	911	89	0	Business plans to be submitted and approved.
Local Government Financial Management Grant	1250	0	861	389	0	Business plans to be submitted and approved.
Expanded Public Works Programme Incentive Grant for Municipalities	6 022	0	1 062	4 960	0	Unspent funds roll-over to 2013/14
Neighbourhood Development Partnership Grant	4 000	0	0	0	0	Transferred directly to ASPIRE, municipal entity
Water Services Operating Subsidy	300	0	0	0	0	
Regional Bulk Infrastructure	51 929	116 701	61 902	16	172	Spent in accordance with approved

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Grant						business plans.
Total	148 714	1 50 388	118 479	37 416	172	
<i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i>						

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APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M(i) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year 2011/12	Year 2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure – Total	307 986	314 284	–	–	309 986	343 221	–
Infrastructure: Road transport – Total	–	–		–	–	–	–
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity – Total	–	–		–	–	–	–
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water – Total	269,305	206 526	–	385 984	197 069	198 065	–
<i>Dams & Reservoirs</i>							
<i>Water purification</i>	220,552	206 526	–	385 984	197 069	198 065	
<i>Reticulation</i>	48,754						
Infrastructure: Sanitation – Total	28,851	104 249	–	150 990	109 847	141 209	–

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<i>Reticulation</i>						
<i>Sewerage purification</i>	28,851	104 249	-		109 847	141 209
Infrastructure: Other – Total	9,830	3 509	-	-	3 070	3 948
<i>Waste Management</i>		439	-			
<i>Transportation</i>						
<i>Gas</i>						
<i>Other</i>	9,830	3 070	-		3 070	3 948
Community – Total	-	-		-	-	-
Parks & gardens						
Sportsfields& stadia						
Swimming pools						
Community halls						
Libraries						
Recreational facilities						
Fire, safety & emergency						
Security and policing						
Buses						
Clinics						
Museums & Art Galleries						
Cemeteries						
Social rental housing						
Other						

Table continued next page

<i>Table continued from previous page</i>			
Capital Expenditure - New Assets Programme*			
			R '000
Description	Year 2011/12	Year 2012/13	Planned Capital expenditure

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	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Heritage assets – Total</u>	–	–		–	–	–	–
Buildings							
Other							
<u>Investment properties – Total</u>	–	–		–	–	–	–
Housing development							
Other							
-							
<u>Other assets</u>	20 648	151 913	–	110 831	109 410	121 486	–
General vehicles	14,383	16 462	–	5 062	7 104	7 433	
Specialised vehicles	2,239	4 500	–	5 793	4 739	4 971	
Plant & equipment	159	2 648	–	6 469	0		
Computers - hardware/equipment	1,457	1 558	–	3 994	1 640	1 718	
Furniture and other office equipment	2,326	6 521	–	3 403	4 492	4 705	
Abattoirs			–				
Markets			–				
Civic Land and Buildings			–				
Other Buildings	83	2 581	–		1 928	1 986	
Other Land			–				

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Surplus Assets - (Investment or Inventory)			-				
Other		117 643	-	86 110	89 507	100 672	
<u>Agricultural assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	328,635	466 197	-		419 396	464 707	-
<u>Specialised vehicles</u>	2 239	4 500	-	-	4 739	4 971	-
Refuse							
Fire	2 239	4 500	-	5 793	4 739	4 971	
Conservancy							
Ambulances							
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)</i>							<i>T M.1</i>

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APPENDIX M(ii) – CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAM

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2011/12	Year 2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	27 633		–	50 697	52 814	–
Infrastructure: Road transport -Total		–		–	–	–	–
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	14,833	–		–	–	–	–
<i>Generation</i>	3,082						
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water – Total	1,094	15 669		–	28 372	32 638	–
<i>Dams & Reservoirs</i>	830						
<i>Water purification</i>		15 669			28 372	32 638	
<i>Reticulation</i>							
Infrastructure: Sanitation – Total		11 964		–	22 325	20 175	–
<i>Reticulation</i>							
<i>Sewerage purification</i>		11 964			22 325	20 175	
Infrastructure: Other – Total		–		–	–	–	–
<i>Waste Management</i>	9,827						

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<i>Transportation</i>							
<i>Gas</i>	-						
<i>Other</i>							
<u>Community</u>		-		-	-	-	-
Parks & gardens	-						
Sportsfields& stadia							
Swimming pools							
Community halls							
Libraries	-						
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses	14,833						
Clinics							
Museums & Art Galleries	-						
Cemeteries							
Social rental housing							
Other							
<u>Heritage assets</u>		-		-	-	-	-
Buildings	-						
Other							
<i>Table continued next page</i>							

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Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2011/12	Year 2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	14,833	18 012.3		-	9 001	9 406	-
General vehicles	3,082	7 486			3 755	3 904	
Specialised vehicles		5000					
Plant & equipment		963			976	1 023	
Computers - hardware/equipment	1,094	4 028			4 233	4 440	
Furniture and other office equipment	830						
Abattoirs							
Markets							
Civic Land and Buildings		500					
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	9,827	35.3			37	39	
Agricultural assets	-	-		-	-	-	-
List sub-class							
Biological assets							

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	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	14,833	45 645		-	30 271	62 219	-
<u>Specialised vehicles</u>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T.M.2

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APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 2012/13				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
NONE				
<i>* Loans/Grants - whether in cash or in kind</i>				<i>TR</i>

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SECTION 46 REPORT INDICATORS

1.3 Key HR statistics per functional area

1. Full time staff complement per functional area

a. MM/Section 57 and Line Managers

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	0
2	Manager's in the MMs Office	4	3	1
3	Director: Corporate Services	1	1	0
4	Corporate Services Managers	12	10	2
5	Strategic Manager	1	1	0
6.	Managers in the Strategic Planning & Management	16	13	3
7	Director: Land, Human Settlements & Economic Development	1	1	0
8.	Managers in Land, Human Settlements & Economic Development	13	13	0
9.	Chief Financial Officer	1	1	0
10.	Managers in the Budget & Treasury Office	17	13	4
11.	Director: Health & Protection Services	1	1	0
12.	Managers in Health & Protection Services	6	6	0
13.	Director: Legislative & Executive Support Services	1	1	0

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14.	Managers in Legislative & Executive Support Services	6	4	2
15.	Director: Engineering Services	1	1	0
16.	Managers in the Engineering Services	21	18	3
	Total	103	88	15

2. Technical staff registered with professional bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
820	24	14	0	10

3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
1 821	522	964 (this includes staff with a tertiary qualification)	432

4. Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2010-2011	1350	882 388 508.00	259 695 091.00	29.43%
2011-2012	1477	888 707 127.00	324 873 005.00	43.30%
2012-2013	1678	1 019 264 076	394 191 469.00	38.67%

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5. List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members	Names of medical Aids	Number of members
CAPE RETIREMENT FUND	1116	LA HEALTH	350
SAMWU NATIONAL PROVIDENT FUND	168	BONITAS	373
NATIONAL FUND FOR MUNICIPAL WORKERS	14	KEYHEALTH	40
CAPE PENSION FUND	14	HOSMED	45
EASTERN CAPE GRATUITY FUND	2	GEMS	1
EASTERN CAPE MUNICIPAL PENSION FUND	2	SAMWU MED	136
GEPF	80		
SALA PF	14		

1.6 Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	1 693	1 142	67%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	8	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY				

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4	Percentage of Managers in Technical Services with a professional qualification	19	18	95%	
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	8	8	100%	
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term				
9	Percentage of councillors who attended a skill development training within the current 5 year term				
10	Percentage of staff complement with disability	1 142	5	0,3%	
11	Percentage of female employees	1 142	411	36%	
12	Percentage of employees that are aged 35 or younger				

Chapter 2: Basic Service delivery performance highlights (KPA 2)

2.1 Water services (max 2 pages)

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	240 000	39 099	3 610	6 749	187 %
2	Percentage of indigent households with access to free basic potable water					
4	Percentage of clinics with access to potable water	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to potable water	N/A	N/A	N/A	N/A	N/A

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6	Percentage of households using buckets	All formal HH are not using buckets, it is only 300 informal HH located in informal settlement are still using buckets.	N/A	N/A	N/A	N/A
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2.2 Electricity services (max 2 pages)

c. Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	N/A	N/A	N/A	N/A	N/A
2	Percentage of indigent households with access to basic electricity services	N/A	N/A	N/A	N/A	N/A
4	Percentage of indigent households with access to free alternative energy sources	N/A	N/A	N/A	N/A	N/A

2.3 Sanitation (max 2 pages)

c. Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	101 000	14 400	3 881	1 245	32 %
2	Percentage of indigent households with access to free basic sanitation services					

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4	Percentage of clinics with access to sanitation services	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to sanitation services	N/A	N/A	N/A	N/A	N/A

2. 4Road maintenance (max 2 pages)

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	N/A	N/A	N/A	N/A	N/A
2	Percentage of road infrastructure requiring upgrade	N/A	N/A	N/A	N/A	N/A
4	Percentage of planned new road infrastructure actually constructed	N/A	N/A	N/A	N/A	N/A
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	N/A	N/A	N/A	N/A	N/A

2.5 Waste management (max 2 pages)

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	N/A	N/A	N/A	N/A	N/A

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2.6 Housing and town planning (max 2 pages)

c. Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements					
2	Percentage of informal settlements that have been provided with basic services					
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses					

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2011/12			30 June 2012/13		
Water backlogs (6KL/month)	Required	Budgeted	Actual	required	budgeted	Actual
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	41 540	26 161	6 728	40 000	3 610	6 749
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	41 540	26 161	6 728	40 000	3 610	6 749
Spending on new infrastructure to eliminate backlogs (R000)	R321 323 000	R321 323 000	R238 684 970.87	250 603 039	250 603 039	341 064 810

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Spending on renewal of existing infrastructure to eliminate backlog (R000)	R18 745 980	R18 745 980	R10 111 176	10 500 000	10 500 000	1 183 561
Total spending to eliminate backlogs (R000)	R340 068 980	R340 068 980	R248 796 146	261 103 037	261 103 037	342 248 271
Spending on maintenance to ensure no new backlogs (R000)						
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	144 506	4 000	4 807	140 000	3 881	1 245
Backlogs to be eliminated (%: total HH identified as backlog/total numb of	144 506	4 000	4 807	140 000	3 881	1 245

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HH in the municipality						
Spending on new infrastructure to eliminate backlogs (R000)	amount has been combined with the water backlog	N/A	N/A	98 843 585	98 843 585	amount has been combined with the water backlog
Spending on renewal of existing infrastructure to eliminate backlog (R000)	amount has been combined with the water backlog	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	amount has been combined with the water backlog	N/A	N/A	98 843 585	98 843 585	amount has been combined with the water backlog
Spending on maintenance to ensure no new backlogs (R000)	BT0					
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A

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Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						

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Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	100%	R34 689 526.00	88.7% of the budget was spent
2	Number of LED stakeholder forum held	4	4	100%
3	Percentage of SMME that have benefited from a SMME support program	25	21	84%
4	Number of job opportunities created through EPWP	1 500 jobs were created under this programme	1 500	100%
5	Number of job opportunities created through PPP	N/A	N/A	N/A

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Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

4.3 Grants and transfers' spending

Grants and transfers' spending

Name of Grant	Name of Organ of State	Sept 12	Dec 12	March 13	June 13	Sept 12	Dec 12	March 13	June 13
		R	R	R	R	R	R	R	R
BUDGET REFORM	NT/COGTA					25 535	137 893	82 939	89 448
MINIMUM COMPETENCY:RPL						481 374	-	-59 116	218 817
EPWLLP	NT/DPW	3 355 000	860 000	1 807 000		12 450	386 367	1 607 901	5 403 605
EPWLLP_SALARIES	NT/DPW					-	-	-	1 061 577
DELIGATION POLICIES	NT					-	69 074	-	-
MSIG-IMPROVED IN FIXED ASSET REGISTERS		250 000				-	250 000	-	-
REVIEW MSIG LM'S SDF						-	70 642	-5 954	-
MSIG: REVIEW MSIG LM SUPPORT _NKONKOB		170 000				-	5 211	7 408	105 659
MSIG: PURCHASE & INSTALL CIVIL DESIGNER		180 000				-	-	180 000	-
MSIG:HR STRATEGY DEVELOPMENT		300 000				-	4 875	174 153	96 035
MSIG: REVIEW OF HR POLICIES		100 000				-	-	-	87 560
MIG	NT/COGTA	80 192 000	105 065 000	204 529 000		40 241 303	72 916 017	86 467 476	240 084 971
ROAD ASSET MANAGEMENT SYSTEM	NT/Road and Transport	1 776 000				396 200	654 571	273 447	1 198 476
DWAF-BULK WATER SUPPLY SCHEME	DWA	10 240 789	4 327 358	21 071 041	13 959 489	3 420 399	8 646 893	20 271 281	29 563 584
DWAF SUPPORT (DROUGHT ISSUES)	DWA					-	4 888	-	24 181
GREAT KEI PLANNING FUNDS						-	19 298	-	-
KUBUSIE ESTABLISHMENT GRANT						-	4 250	2 100	16 799
PRUDOE ESTAB GRANT						700	-	-	1 305
PRUDOE TOP STRUCTURE						-	14 640	-	-
KUBUSI TOP STRUCTURE						50 325	-	-	-

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MACLEANTOWN TOP STRUCTURE						-	-	867 953	-
LILLYVALE TOP STRUCTURE						-	-	1 861 879	-
PLANNING GRANT DLA	DHLG&TA					10 053	23 108	12 829	17 200
RESTITUTION AWARD(DLA)						-	1 857 823	2 393 540	3 315 048
BENEFICIARY ADMINISTRATION (BNG)	DHLG&TA					14 650	27 275	17 500	26 250
ECDOT FUNDS	DOT					2 366 219	393 454	74 374	40 853
IDUTYWA EXTENTION 8 (VIP TOILETS,RDS&W)	DWA			1 062 180	121 803	-	-	1 062 180	121 803
ROOF TOP RAIN WATER HARVESTING					1 000 000	510 757	-	-	334 413
WATER INFRA SAFETY MANAGEMENT PLAN						-	8 166	-	1 462
GROUND WATER INVESTIGATION						-	-	-	113 648
WATER CONSERVATION & WT DEMAND MNGT						-	-	-	26 200
BUSINESS PLANS FOR WSP'S						-	39 950	-	-
ADELAIDE WATER RE-USE PHASE 1						-	228 021	464 390	397 104
WSA ROUTINE MONITORING PROGRAM						-	-	-	351 041
ADELAIDE OLD OXIDATION PONDS			58 767	663 445	1 234 480	-	51 550	6 331	1 829 224
BALFOUR SAWMILS	DEDEA					-	-	-	11 004
PEDDIE BRICKS MAKING						-	-	-	28 620
INKUTHALO HYDROPONICS						-	-	27 079	16 221
SILWINDLALA WOMEN'S PROJECT						-	-	6 395	-
LED STRATEGY	DHLG&TA					-	162 853	-	268 385
CAPACITY BUILDING FOR LM's						-	-	-	18 960
DWAF ONCE OF ACCOMMODATION	DWA					-	-	-	1 033
DWAF REFURBISHMENT	DWA	3 500 000	1 750 000	1 860 200	-110 200	-	1 173 601	222 136	5 013 689
DEVELOPMENT CRAFT CENTRE	DEDEA					-	81 254	-	682 290
SKILLS DEVELOPMENT CENTRE						-	-	-	24 550
DISASTER: REBUILD FUND	DHLG&TA					14 537	-	-	-
CAPACITATE AND RESOURCE CENTRE						147 655	174 994	11 143	117 808
SATELITE FIRE STATION-CHINTSA						-	4 825	1 199	296
SATELITE FIRE STATION-KEI MOUTH						-	-	165 002	540 915
FIRE SERVICES-CONTIGENCY FUNDS						-	-	-	207
EASTERN REGIONAL SOLID WASTE (GK)						-	15 024	-	-
SETA: IMPLEMENTATION	LG SETA	205 054	549 464	224 418	-267 337	46 548	211 121	709 553	228 008

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LG SETA MSU						-	-	-	5 326
LG SETA INTERNS					632 708	-	-	-	143 890
VUNA AWARDS-PMS						-	-	7 029	977
ELLIOTDALE BNG HOUSES						-	-	96 484	-
MK VETERANS					500 000	433	8 878	-	774 332
IDP-LOCAL MUNICIPALITIES						-	-	5 132	4 967
LAND USE MANAGEMENT						18 863	-	1 650	991
PUBLIC AWARENESS						-	-	-	66 642
TOTAL OTHER GRANT PROVIDERS		100 268 843	112 610 589	231 217 284	17 070 943	-	87 646 515	117 015 412	292 475 373

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4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	512 174	547 058	106%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	36%	35%	25%
		Target set for the year 36%	Achievement level during the year 35%	Achievement percentage during the year vs the actual revenue 25%
3	Total actual trade creditors percentage paid	90%	93%	93%
		Target set for the year 90%	Achievement level during the year 93%	Achievement percentage during the year 93%
4	Total municipal own revenue as a percentage of the total actual budget	399 191	301 467	45%
		Target set for the year R399 million	Achievement level during the year R301 million	Achievement percentage during the year 45%
5	Rate of municipal consumer debt reduction	50%	40%	48%
6	Percentage of MIG budget appropriately spent	R389 786 000	R377 619 714	97%
7	Percentage of MSIG budget appropriately spent	R1 million	R880 774.32	88%

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Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements;

5.8.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
None during the financial year in question	n/a	

b. Unfavourable cases

Case name	Compliance with judgement (yes/No)	Reasons for non compliance with judgement
None during the financial year in question	n/a	

2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or less	Cases beyond 2 years	Reasons for extensive duration
HA Wylie and Sons	Claim by ADM for outstanding RSC levies	July 07		yes	Trial completed in March 2010, but Magistrate yet to give judgment
Fernfin	Action instituted by ADM for damages arising from early termination of contract on the grounds of poor performance	Feb 09		Yes	Further claim for consequential losses added. Currently awaiting trial date from the Registrar
Rulumeni A	Claim by ADM resulting from non-	Aug 09		Yes	Numerous postponements by the defendant, despite

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	payment for water and sanitation services				objections by plaintiff. Magistrate has also not been available on occasions to hear the matter. Matter part-heard.
Mandla Construction	Applicant's claim against ADM, dismissed in May 2011	Dec 10		Yes	Registrar has not allocated a taxation date as yet. (matter dismissed with costs in favour of ADM)
Michelle Fourie	Action against the ADM for damages sustained with Plaintiff collided with a cow	Sept 09		Yes	Pleading closed, but Plaintiff yet to obtain a court date. Matter therefore dormant.
Give Ziyaya/Sunrise Construction JV	Action instituted by the ADM for breach of contract	Dec 09		Yes	Lengthy pleadings. High Court date for trial only available on 24 June 2014.
Incedon (Pty) Ltd	Action against the ADM regarding payment in terms of a cession agreement	July 11	Yes		
Amanz'Abantu	Action against the ADM for outstanding payment	Feb 12	Yes		
Olivewood Trading	Application brought to interdict the ADM from implementing an award of a contract	Feb 13	Yes		

3. Default judgements

Case name	Reasons for default judgement
None during the financial year in question	n/a

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

The completed Annual Financial Statements constitutes Volume II of the Annual Report.